

110<sup>th</sup> Congress }  
1<sup>st</sup> Session }

HOUSE OF REPRESENTATIVES  
Rules Committee

{Report  
{  
{No. \_\_\_\_

Providing for consideration of the Senate amendment to the bill (H.R. 2206) making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

-----  
May 23, 2007. --Referred to the House Calendar and ordered to be printed  
-----

Mrs. Slaughter, from the Committee on Rules

submitted the following

REPORT

[To accompany H. Res. \_\_\_\_]

The Committee on Rules, having had under consideration House Resolution \_\_\_\_, by a record vote of 8 to 4, report the same to the House with the recommendation that the resolution be adopted.

SUMMARY OF PROVISIONS OF THE RESOLUTION

The resolution provides for the consideration of the Senate amendment to H.R. 2206. The resolution makes in order a motion by the Chairman of the Committee of Appropriations to concur in the Senate amendment with each of the two House amendments printed in this report. The rule waives all points of order against the motion and provides that the Senate amendment and the motion shall be considered as read. The rule provides one hour of debate on the motion equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The rule also provides that the Chair shall divide the question of adoption of the motion between the two House amendments and if both amendments are adopted, they will be engrossed into a single amendment to the Senate amendment to H.R. 2206. The rule provides that the Chair may postpone further consideration of the motion to a time designated by the Speaker.

The rule further provides that during consideration in the Committee of the Whole of a bill making FY08 supplemental appropriations for military operations in Iraq or Afghanistan, before consideration of any other amendment, it shall be in order to consider an amendment only proposing to add to the bill the text of H.R. 2451. Such amendment shall be considered as read, shall not be amendable or divisible. All points of order against such amendment are waived except for clause 9 of Rule XXI. The rule provides that section 4(a) of the resolution does not apply to a regular FY08 Department of Defense appropriations bill.

EXPLANATION OF WAIVERS

The Committee is not aware of any points of order against the motion. The waiver of all points of order against the motion is prophylactic in nature.

## COMMITTEE VOTES

The results of each record vote on an amendment or motion to report, together with the names of those voting for and against, are printed below:

### Rules Committee Record Vote No. 213

**Date:** May 24, 2007

**Measure:** H.R. 2206

**Motion By:** Mr. Dreier

**Summary of Motion:** To amend the rule to allow a motion to strike anything defined as an earmark.

**Results:** Defeated 4-8

#### Vote by Member:

MCGOVERN	NAY
HASTINGS (FL)	NAY
MATSUI	NAY
CARDOZA	
WELCH	NAY
CASTOR	NAY
ARCURI	NAY
SUTTON	NAY
DREIER	YEA
DIAZ-BALART	YEA
HASTINGS (WA)	YEA
SESSIONS	YEA
SLAUGHTER	NAY

**Rules Committee Record Vote No. 214**

**Date:** May 24, 2007

**Measure:** H.R. 2206

**Motion By:** Mr. Hastings (WA)

**Summary of Motion:** To make in order and provide the appropriate waivers for an amendment by Rep. Walden (OR), #3 to provide a five-year reauthorization and funding for the Secure Rural Schools and Community Self-Determination Act.

**Results:** Defeated 4-8

**Vote by Member:**

MCGOVERN	NAY
HASTINGS (FL)	NAY
MATSUI	NAY
CARDOZA	
WELCH	NAY
CASTOR	NAY
ARCURI	NAY
SUTTON	NAY
DREIER	YEA
DIAZ-BALART	YEA
HASTINGS (WA)	YEA
SESSIONS	YEA
SLAUGHTER	NAY

**Rules Committee Record Vote No. 215**

**Date:** May 24, 2007

**Measure:** H.R. 2206

**Motion By:** Mr. Hastings (WA)

**Summary of Motion:** To make in order and provide the appropriate waivers for an amendment by Rep. Walden (OR), #5, to provide for a two-year extension of funding for the Secure Rural Schools and Community Self-Determination Act.

**Results:** Defeated 4-8

**Vote by Member:**

MCGOVERN	NAY
HASTINGS (FL)	NAY
MATSUI	NAY
CARDOZA	
WELCH	NAY
CASTOR	NAY
ARCURI	NAY
SUTTON	NAY
DREIER	YEA
DIAZ-BALART	YEA
HASTINGS (WA)	YEA
SESSIONS	YEA
SLAUGHTER	NAY

## Rules Committee Record Vote No. 216

**Date:** May 24, 2007

**Measure:** H.R. 2206

**Motion By:** Mr. McGovern

**Summary of Motion:** To report the rule.

**Results:** Adopted 8-4

### Vote by Member:

MCGOVERN	YEA
HASTINGS (FL)	YEA
MATSUI	YEA
CARDOZA	
WELCH	YEA
CASTOR	YEA
ARCURI	YEA
SUTTON	YEA
DREIER	NAY
DIAZ-BALART	NAY
HASTINGS (WA)	NAY
SESSIONS	NAY
SLAUGHTER	YEA

110<sup>th</sup> Congress

1<sup>st</sup> Session

H. RES. \_\_\_\_\_

Providing for consideration of the Senate amendment to the bill (H.R. 2206) making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

May 23, 2007

Mrs. Slaughter, from the Committee on Rules, reported the following resolution which was referred to the House Calendar and ordered to be printed.

RESOLUTION

Providing for consideration of the Senate amendment to the bill (H.R. 2206) making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes.

*Resolved*, That upon adoption of this resolution it shall be in order to take from the Speaker's table the bill (H.R. 2206) making emergency supplemental appropriations and additional supplemental appropriations for agricultural and other emergency assistance for the fiscal year ending September 30, 2007, and for other purposes, with the Senate amendment thereto, and to consider in the House, without intervention of any point of order, a motion offered by the chairman of the Committee on Appropriations or his designee that the House concur in the Senate amendment with the House amendments printed in the report of the Committee on Rules accompanying this resolution. The Senate amendment and the motion shall be considered as read. The motion shall be debatable for one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. The previous question shall be considered as ordered on the motion to its adoption without intervening motion or demand for division of the question except that the Chair shall divide the question of adoption of the motion between the two House amendments.

Sec. 2. If both portions of the divided question specified in the first section of this resolution are adopted, the action of the House shall be engrossed as a single amendment to the Senate amendment to H.R. 2206.

Sec. 3. During consideration of the motion to concur pursuant to this resolution, notwithstanding the operation of the previous question, the Chair may postpone further consideration of such motion to such time as may be designated by the Speaker.

Sec. 4. (a) During consideration in the Committee of the Whole of a bill making supplemental appropriations for military operations in Iraq or Afghanistan for fiscal year 2008, before consideration of any other amendment, it shall be in order to consider an amendment only proposing to add to the bill the text of H.R. 2451. Such amendment shall be considered as read, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House

or the Committee of the Whole. All points of order against such amendment are waived except those arising under clause 9 of rule XXI.

(b) Subsection (a) shall not apply to a bill making regular appropriations for the Department of Defense for the fiscal year ending September 30, 2008.

**SUMMARY OF THE HOUSE AMENDMENT #1 TO THE SENATE  
AMENDMENT TO H.R. 2206 MADE IN ORDER UNDER THE RULE**

- Funding and other items not requested by the President including funding for: Defense Health, Veterans Health, Base Realignment and Closure, Homeland Security, Gulf Coast recovery, and the State Children's Health Insurance Program
- An increase in the minimum wage
- Small business tax cuts

**SUMMARY OF THE HOUSE AMENDMENT #2 TO THE SENATE  
AMENDMENT TO H.R. 2206 MADE IN ORDER UNDER THE RULE**

- The Warner language on Iraq, including benchmarks for success
- Funding requested by the President for: the Department of Defense, State, and foreign operations, and Gulf Coast recovery.



**TEXT OF THE HOUSE AMENDMENT #1 TO THE SENATE AMENDMENT  
TO H.R. 2206 MADE IN ORDER UNDER THE RULE**

## **Amendment 1 to the Senate Amendment to H.R. 2206**

In lieu of the matter proposed to be inserted by the  
Senate amendment, insert the following:

**1 SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “U.S. Troop Readiness,  
3 Veterans’ Care, Katrina Recovery, and Iraq Accountability  
4 Appropriations Act, 2007”.

**5 SEC. 2. TABLE OF CONTENTS.**

6       The table of contents for this Act is as follows:

TITLE I—[RESERVED]

TITLE II—[RESERVED]

TITLE III—ADDITIONAL DEFENSE, INTERNATIONAL AFFAIRS, AND  
HOMELAND SECURITY PROVISIONS

TITLE IV—ADDITIONAL HURRICANE DISASTER RELIEF AND RE-  
COVERY

TITLE V—OTHER EMERGENCY APPROPRIATIONS

TITLE VI—OTHER MATTERS

TITLE VII—ELIMINATION OF SCHIP SHORTFALL AND OTHER  
HEALTH MATTERS

TITLE VIII—FAIR MINIMUM WAGE AND TAX RELIEF

TITLE IX—AGRICULTURAL ASSISTANCE

TITLE X—GENERAL PROVISIONS

**7 SEC. 3. STATEMENT OF APPROPRIATIONS.**

8       The following sums in this Act are appropriated, out  
9 of any money in the Treasury not otherwise appropriated,  
10 for the fiscal year ending September 30, 2007.

1           **TITLE I—[RESERVED]**

2           [The provisions of this title are reserved for possible  
3 additions through subsequent amendment.]

4           **TITLE II—[RESERVED]**

5           [The provisions of this title are reserved for possible  
6 additions through subsequent amendment.]

7           **TITLE     III—ADDITIONAL     DE-**  
8           **FENSE, INTERNATIONAL AF-**  
9           **FAIRS, AND HOMELAND SECU-**  
10          **RITY PROVISIONS**

11                   **CHAPTER 1**

12                   DEPARTMENT OF AGRICULTURE

13                   FOREIGN AGRICULTURAL SERVICE

14                   PUBLIC LAW 480 TITLE II GRANTS

15           For an additional amount for “Public Law 480 Title  
16 II Grants”, during the current fiscal year, not otherwise  
17 recoverable, and unrecovered prior years’ costs, including  
18 interest thereon, under the Agricultural Trade Develop-  
19 ment and Assistance Act of 1954, for commodities sup-  
20 plied in connection with dispositions abroad under title II  
21 of said Act, \$100,000,000, to remain available until ex-  
22 pended.

23                   GENERAL PROVISION—THIS CHAPTER

24           SEC. 3101. There is hereby appropriated  
25 \$10,000,000 to reimburse the Commodity Credit Corpora-

1 tion for the release of eligible commodities under section  
2 302(f)(2)(A) of the Bill Emerson Humanitarian Trust Act  
3 (7 U.S.C. 1736f-1): *Provided*, That any such funds made  
4 available to reimburse the Commodity Credit Corporation  
5 shall only be used to replenish the Bill Emerson Humani-  
6 tarian Trust.

## 7 **CHAPTER 2**

### 8 **DEPARTMENT OF JUSTICE**

#### 9 **FEDERAL BUREAU OF INVESTIGATION**

##### 10 **SALARIES AND EXPENSES**

11 For an additional amount for "Salaries and Ex-  
12 penses", \$139,740,000, of which \$129,740,000 is to re-  
13 main available until September 30, 2008 and \$10,000,000  
14 is to remain available until expended to implement correc-  
15 tive actions in response to the findings and recommenda-  
16 tions in the Department of Justice Office of Inspector  
17 General report entitled, "A Review of the Federal Bureau  
18 of Investigation's Use of National Security Letters", of  
19 which \$500,000 shall be transferred to and merged with  
20 "Department of Justice, Office of the Inspector General".

#### 21 **DRUG ENFORCEMENT ADMINISTRATION**

##### 22 **SALARIES AND EXPENSES**

23 For an additional amount for "Salaries and Ex-  
24 penses", \$3,698,000, to remain available until September  
25 30, 2008.

1           GENERAL PROVISION—THIS CHAPTER

2           SEC. 3201. Funds provided in this Act for the “De-  
3   partment of Justice, Federal Bureau of Investigation, Sal-  
4   aries and Expenses”, shall be made available according to  
5   the language relating to such account in the joint explana-  
6   tory statement accompanying the conference report on  
7   H.R. 1591 of the 110th Congress (H. Rept. 110–107).

8                               **CHAPTER 3**

9           DEPARTMENT OF DEFENSE—MILITARY

10                           MILITARY PERSONNEL

11                           MILITARY PERSONNEL, ARMY

12           For an additional amount for “Military Personnel,  
13   Army”, \$343,080,000.

14                           MILITARY PERSONNEL, NAVY

15           For an additional amount for “Military Personnel,  
16   Navy”, \$408,283,000.

17                           MILITARY PERSONNEL, MARINE CORPS

18           For an additional amount for “Military Personnel,  
19   Marine Corps”, \$108,956,000.

20                           MILITARY PERSONNEL, AIR FORCE

21           For an additional amount for “Military Personnel,  
22   Air Force”, \$139,300,000.

23                           RESERVE PERSONNEL, NAVY

24           For an additional amount for “Reserve Personnel,  
25   Navy”, \$8,223,000.

1           RESERVE PERSONNEL, MARINE CORPS

2           For an additional amount for "Reserve Personnel,  
3 Marine Corps", \$5,660,000.

4           RESERVE PERSONNEL, AIR FORCE

5           For an additional amount for "Reserve Personnel,  
6 Air Force", \$6,073,000.

7           NATIONAL GUARD PERSONNEL, ARMY

8           For an additional amount for "National Guard Per-  
9 sonnel, Army", \$109,261,000.

10          NATIONAL GUARD PERSONNEL, AIR FORCE

11          For an additional amount for "National Guard Per-  
12 sonnel, Air Force", \$19,533,000.

13          OPERATION AND MAINTENANCE

14          OPERATION AND MAINTENANCE, NAVY

15          For an additional amount for "Operation and Main-  
16 tenance, Navy", \$24,000,000.

17          STRATEGIC RESERVE READINESS FUND

18                 (INCLUDING TRANSFER OF FUNDS)

19          In addition to amounts provided in this or any other  
20 Act, for training, operations, repair of equipment, pur-  
21 chases of equipment, and other expenses related to im-  
22 proving the readiness of non-deployed United States mili-  
23 tary forces, \$1,615,000,000, to remain available until Sep-  
24 tember 30, 2009; of which \$1,000,000,000 shall be trans-  
25 ferred to "National Guard and Reserve Equipment" for

1 the purchase of equipment for the Army National Guard;  
2 and of which \$615,000,000 shall be transferred by the  
3 Secretary of Defense only to appropriations for military  
4 personnel, operation and maintenance, procurement, and  
5 defense working capital funds to accomplish the purposes  
6 provided herein: *Provided*, That the funds transferred  
7 shall be merged with and shall be available for the same  
8 purposes and for the same time period as the appropria-  
9 tion to which transferred: *Provided further*, That the Sec-  
10 retary of Defense shall, not fewer than 30 days prior to  
11 making transfers under this authority, notify the congres-  
12 sional defense committees in writing of the details of any  
13 such transfers made pursuant to this authority: *Provided*  
14 *further*, That funds shall be transferred to the appropria-  
15 tion accounts not later than 120 days after the enactment  
16 of this Act: *Provided further*, That the transfer authority  
17 provided in this paragraph is in addition to any other  
18 transfer authority available to the Department of Defense:  
19 *Provided further*, That upon a determination that all or  
20 part of the funds transferred from this appropriation are  
21 not necessary for the purposes provided herein, such  
22 amounts may be transferred back to this appropriation.

## PROCUREMENT

## OTHER PROCUREMENT, ARMY

3 For an additional amount for “Other Procurement,  
4 Army”, \$1,217,000,000, to remain available until Sep-  
5 tember 30, 2009: *Provided*, That the amount provided  
6 under this heading shall be available only for the purchase  
7 of mine resistant ambush protected vehicles.

## OTHER PROCUREMENT, NAVY

9 For an additional amount for "Other Procurement,  
10 Navy", \$130,040,000, to remain available until September  
11 30, 2009: *Provided*, That the amount provided under this  
12 heading shall be available only for the purchase of mine  
13 resistant ambush protected vehicles.

## PROCUREMENT, MARINE CORPS

15 For an additional amount for “Procurement, Marine  
16 Corps”, \$1,263,360,000, to remain available until Sep-  
17 tember 30, 2009: *Provided*, That the amount provided  
18 under this heading shall be available only for the purchase  
19 of mine resistant ambush protected vehicles.

## OTHER PROCUREMENT, AIR FORCE

21 For an additional amount for “Other Procurement,  
22 Air Force”, \$139,040,000, to remain available until Sep-  
23 tember 30, 2009: *Provided*, That the amount provided  
24 under this heading shall be available only for the purchase  
25 of mine resistant ambush protected vehicles.



## 1                   PROCUREMENT, DEFENSE-WIDE

2           For an additional amount for "Procurement, De-  
3 fense-Wide", \$258,860,000, to remain available until Sep-  
4 tember 30, 2009: *Provided*, That the amount provided  
5 under this heading shall be available only for the purchase  
6 of mine resistant ambush protected vehicles.

## 7   OTHER DEPARTMENT OF DEFENSE PROGRAMS

## 8                   DEFENSE HEALTH PROGRAM

## 9                   (INCLUDING TRANSFER OF FUNDS)

10          For an additional amount for "Defense Health Pro-  
11 gram", \$1,878,706,000; of which \$1,429,006,000 shall be  
12 for operation and maintenance, including \$600,000,000  
13 which shall be available for the treatment of traumatic  
14 brain injury and post-traumatic stress disorder and re-  
15 main available until September 30, 2008; of which  
16 \$118,000,000 shall be for procurement, to remain avail-  
17 able until September 30, 2009; and of which  
18 \$331,700,000 shall be for research, development, test and  
19 evaluation, to remain available until September 30, 2008:  
20 *Provided*, That if the Secretary of Defense determines that  
21 funds made available in this paragraph for the treatment  
22 of traumatic brain injury and post-traumatic stress dis-  
23 order are in excess of the requirements of the Department  
24 of Defense, the Secretary may transfer amounts in excess

1 of that requirement to the Department of Veterans Affairs  
2 to be available only for the same purpose.

3 GENERAL PROVISIONS—THIS CHAPTER

4 SEC. 3301. None of the funds appropriated or other-  
5 wise made available by this or any other Act shall be obli-  
6 gated or expended by the United States Government for  
7 a purpose as follows:

8 (1) To establish any military installation or  
9 base for the purpose of providing for the permanent  
10 stationing of United States Armed Forces in Iraq.

11 (2) To exercise United States control over any  
12 oil resource of Iraq.

13 SEC. 3302. None of the funds made available in this  
14 Act may be used in contravention of the following laws  
15 enacted or regulations promulgated to implement the  
16 United Nations Convention Against Torture and Other  
17 Cruel, Inhuman or Degrading Treatment or Punishment  
18 (done at New York on December 10, 1984)—

19 (1) section 2340A of title 18, United States  
20 Code;

21 (2) section 2242 of the Foreign Affairs Reform  
22 and Restructuring Act of 1998 (division G of Public  
23 Law 105–277; 112 Stat. 2681–822; 8 U.S.C. 1231  
24 note) and regulations prescribed thereto, including  
25 regulations under part 208 of title 8, Code of Fed-

1 eral Regulations, and part 95 of title 22, Code of  
2 Federal Regulations; and

3 (3) sections 1002 and 1003 of the Department  
4 of Defense, Emergency Supplemental Appropriations  
5 to Address Hurricanes in the Gulf of Mexico, and  
6 Pandemic Influenza Act, 2006 (Public Law 109–  
7 148).

8 SEC. 3303. (a) REPORT BY SECRETARY OF DE-  
9 FENSE.—Not later than 30 days after the date of the en-  
10 actment of this Act, the Secretary of Defense shall submit  
11 to the congressional defense committees a report that con-  
12 tains individual transition readiness assessments by unit  
13 of Iraq and Afghan security forces. The Secretary of De-  
14 fense shall submit to the congressional defense committees  
15 updates of the report required by this subsection every 90  
16 days after the date of the submission of the report until  
17 October 1, 2008. The report and updates of the report  
18 required by this subsection shall be submitted in classified  
19 form.

20 (b) REPORT BY OMB.—

21 (1) The Director of the Office of Management  
22 and Budget, in consultation with the Secretary of  
23 Defense; the Commander, Multi-National Security  
24 Transition Command—Iraq; and the Commander,  
25 Combined Security Transition Command—Afghani-

1 stan, shall submit to the congressional defense com-  
2 mittees not later than 120 days after the date of the  
3 enactment of this Act and every 90 days thereafter  
4 a report on the proposed use of all funds under each  
5 of the headings "Iraq Security Forces Fund" and  
6 "Afghanistan Security Forces Fund" on a project-  
7 by-project basis, for which the obligation of funds is  
8 anticipated during the three-month period from such  
9 date, including estimates by the commanders re-  
10 ferred to in this paragraph of the costs required to  
11 complete each such project.

12 (2) The report required by this subsection shall  
13 include the following:

14 (A) The use of all funds on a project-by-  
15 project basis for which funds appropriated  
16 under the headings referred to in paragraph (1)  
17 were obligated prior to the submission of the re-  
18 port, including estimates by the commanders  
19 referred to in paragraph (1) of the costs to  
20 complete each project.

21 (B) The use of all funds on a project-by-  
22 project basis for which funds were appropriated  
23 under the headings referred to in paragraph (1)  
24 in prior appropriations Acts, or for which funds  
25 were made available by transfer, reprogram-

1           ming, or allocation from other headings in prior  
2           appropriations Acts, including estimates by the  
3           commanders referred to in paragraph (1) of the  
4           costs to complete each project.

5           (C) An estimated total cost to train and  
6           equip the Iraq and Afghan security forces,  
7           disaggregated by major program and sub-ele-  
8           ments by force, arrayed by fiscal year.

9           (c) NOTIFICATION.—The Secretary of Defense shall  
10          notify the congressional defense committees of any pro-  
11          posed new projects or transfers of funds between sub-ac-  
12          tivity groups in excess of \$15,000,000 using funds appro-  
13          priated by this Act under the headings “Iraq Security  
14          Forces Fund” and “Afghanistan Security Forces Fund”.

15          SEC. 3304. None of the funds appropriated or other-  
16          wise made available by this Act may be obligated or ex-  
17          pended to provide award fees to any defense contractor  
18          contrary to the provisions of section 814 of the National  
19          Defense Authorization Act, Fiscal Year 2007 (Public Law  
20          109–364).

21          SEC. 3305. Not more than 85 percent of the funds  
22          appropriated to the Department of Defense in this Act for  
23          operation and maintenance shall be available for obligation  
24          unless and until the Secretary of Defense submits to the  
25          congressional defense committees a report detailing the

1 use of Department of Defense funded service contracts  
2 conducted in the theater of operations in support of  
3 United States military and reconstruction activities in  
4 Iraq and Afghanistan: *Provided*, That the report shall pro-  
5 vide detailed information specifying the number of con-  
6 tracts and contract costs used to provide services in fiscal  
7 year 2006, with sub-allocations by major service cat-  
8 egories: *Provided further*, That the report also shall in-  
9 clude estimates of the number of contracts to be executed  
10 in fiscal year 2007: *Provided further*, That the report shall  
11 include the number of contractor personnel in Iraq and  
12 Afghanistan funded by the Department of Defense: *Pro-*  
13 *vided further*, That the report shall be submitted to the  
14 congressional defense committees not later than August  
15 1, 2007.

16 SEC. 3306. Section 1477 of title 10, United States  
17 Code, is amended—

18 (1) in subsection (a), by striking “A death gra-  
19 tuity” and inserting “Subject to subsection (d), a  
20 death gratuity”;

21 (2) by redesignating subsection (d) as sub-  
22 section (e) and, in such subsection, by striking “If  
23 an eligible survivor dies before he” and inserting “If  
24 a person entitled to all or a portion of a death gra-

1       tuity under subsection (a) or (d) dies before the per-  
2       son"; and

3               (3) by inserting after subsection (c) the fol-  
4       lowing new subsection (d):

5       “(d) During the period beginning on the date of the  
6       enactment of this subsection and ending on September 30,  
7       2007, a person covered by section 1475 or 1476 of this  
8       title may designate another person to receive not more  
9       than 50 percent of the amount payable under section 1478  
10      of this title. The designation shall indicate the percentage  
11      of the amount, to be specified only in 10 percent incre-  
12      ments up to the maximum of 50 percent, that the des-  
13      ignated person may receive. The balance of the amount  
14      of the death gratuity shall be paid to or for the living sur-  
15      vivors of the person concerned in accordance with para-  
16      graphs (1) through (5) of subsection (a).”.

17       SEC. 3307. (a) INSPECTION OF MILITARY MEDICAL  
18       TREATMENT FACILITIES, MILITARY QUARTERS HOUSING  
19       MEDICAL HOLD PERSONNEL, AND MILITARY QUARTERS  
20       HOUSING MEDICAL HOLDOVER PERSONNEL.—

21               (1) IN GENERAL.—Not later than 180 days  
22       after the date of the enactment of this Act, and an-  
23       nually thereafter, the Secretary of Defense shall in-  
24       spect each facility of the Department of Defense as  
25       follows:

1 (A) Each military medical treatment facil-  
2 ity.

3 (B) Each military quarters housing med-  
4 ical hold personnel.

5 (C) Each military quarters housing med-  
6 ical holdover personnel.

7 (2) PURPOSE.—The purpose of an inspection  
8 under this subsection is to ensure that the facility or  
9 quarters concerned meets acceptable standards for  
10 the maintenance and operation of medical facilities,  
11 quarters housing medical hold personnel, or quarters  
12 housing medical holdover personnel, as applicable.

13 (b) ACCEPTABLE STANDARDS.—For purposes of this  
14 section, acceptable standards for the operation and main-  
15 tenance of military medical treatment facilities, military  
16 quarters housing medical hold personnel, or military quar-  
17 ters housing medical holdover personnel are each of the  
18 following:

19 (1) Generally accepted standards for the ac-  
20 creditation of medical facilities, or for facilities used  
21 to quarter individuals with medical conditions that  
22 may require medical supervision, as applicable, in  
23 the United States.



1           (2) Where appropriate, standards under the  
2       Americans with Disabilities Act of 1990 (42 U.S.C.  
3       12101 et seq.).

4       (c) ADDITIONAL INSPECTIONS ON IDENTIFIED DEFICI-  
5       ENCIES.—

6           (1) IN GENERAL.—In the event a deficiency is  
7       identified pursuant to subsection (a) at a facility or  
8       quarters described in paragraph (1) of that  
9       subsection—

10           (A) the commander of such facility or  
11       quarters, as applicable, shall submit to the Sec-  
12       retary a detailed plan to correct the deficiency;  
13       and

14           (B) the Secretary shall reinspect such fa-  
15       cility or quarters, as applicable, not less often  
16       than once every 180 days until the deficiency is  
17       corrected.

18       (2) CONSTRUCTION WITH OTHER INSPEC-  
19       TIONS.—An inspection of a facility or quarters  
20       under this subsection is in addition to any inspection  
21       of such facility or quarters under subsection (a).

22       (d) REPORTS ON INSPECTIONS.—A complete copy of  
23       the report on each inspection conducted under subsections  
24       (a) and (c) shall be submitted in unclassified form to the

1 applicable military medical command and to the congres-  
2 sional defense committees.

3 (e) REPORT ON STANDARDS.—In the event no stand-  
4 ards for the maintenance and operation of military med-  
5 ical treatment facilities, military quarters housing medical  
6 hold personnel, or military quarters housing medical hold-  
7 over personnel exist as of the date of the enactment of  
8 this Act, or such standards as do exist do not meet accept-  
9 able standards for the maintenance and operation of such  
10 facilities or quarters, as the case may be, the Secretary  
11 shall, not later than 30 days after that date, submit to  
12 the congressional defense committees a report setting  
13 forth the plan of the Secretary to ensure—

14 (1) the adoption by the Department of stand-  
15 ards for the maintenance and operation of military  
16 medical facilities, military quarters housing medical  
17 hold personnel, or military quarters housing medical  
18 holdover personnel, as applicable, that meet—

19 (A) acceptable standards for the mainte-  
20 nance and operation of such facilities or quar-  
21 ters, as the case may be; and

22 (B) where appropriate, standards under  
23 the Americans with Disabilities Act of 1990;  
24 and

1           (2) the comprehensive implementation of the  
2       standards adopted under paragraph (1) at the ear-  
3       liest date practicable.

4 SEC. 3308. (a) AWARD OF MEDAL OF HONOR TO  
5 WOODROW W. KEEBLE FOR VALOR DURING KOREAN  
6 WAR.—Notwithstanding any applicable time limitation  
7 under section 3744 of title 10, United States Code, or any  
8 other time limitation with respect to the award of certain  
9 medals to individuals who served in the Armed Forces, the  
10 President may award to Woodrow W. Keeble the Medal  
11 of Honor under section 3741 of that title for the acts of  
12 valor described in subsection (b).

(b) ACTS OF VALOR.—The acts of valor referred to in subsection (a) are the acts of Woodrow W. Keeble, then-acting platoon leader, carried out on October 20, 1951, during the Korean War.

## 17 (TRANSFER OF FUNDS)

18 SEC. 3309. Of the amount appropriated under the  
19 heading “Other Procurement, Army”, in title III of divi-  
20 sion A of Public Law 109–148, \$6,250,000 shall be trans-  
21 ferred to “Military Construction, Army”.

SEC. 3310. The Secretary of Defense, notwithstanding any other provision of law, acting through the Office of Economic Adjustment or the Office of Dependents Education of the Department of Defense, shall use not less than \$10,000,000 of funds made available in this

1 Act under the heading "Operation and Maintenance, De-  
2 fense-Wide" to make grants and supplement other Federal  
3 funds to provide special assistance to local education agen-  
4 cies.

5 SEC. 3311. Congress finds that United States mili-  
6 tary units should not enter into combat unless they are  
7 fully capable of performing their assigned mission. Con-  
8 gress further finds that this is the policy of the Depart-  
9 ment of Defense. The Secretary of Defense shall notify  
10 Congress of any changes to this policy.

#### 11 **CHAPTER 4**

#### 12 **DEPARTMENT OF ENERGY**

#### 13 **ATOMIC ENERGY DEFENSE ACTIVITIES**

#### 14 **NATIONAL NUCLEAR SECURITY ADMINISTRATION**

#### 15 **DEFENSE NUCLEAR NONPROLIFERATION**

16 For an additional amount for "Defense Nuclear Non-  
17 proliferation", \$72,000,000 is provided for the Inter-  
18 national Nuclear Materials Protection and Cooperation  
19 Program, to remain available until expended.

#### 20 **GENERAL PROVISION—THIS CHAPTER**

#### 21 **(TRANSFER OF FUNDS)**

22 SEC. 3401. The Administrator of the National Nu-  
23 clear Security Administration is authorized to transfer up  
24 to \$1,000,000 from Defense Nuclear Nonproliferation to

1 the Office of the Administrator during fiscal year 2007  
2 supporting nuclear nonproliferation activities.

### 3 **CHAPTER 5**

#### 4 **DEPARTMENT OF HOMELAND SECURITY**

##### 5 **ANALYSIS AND OPERATIONS**

6 For an additional amount for “Analysis and Oper-  
7 ations”, \$8,000,000, to remain available until September  
8 30, 2008, to be used for support of the State and Local  
9 Fusion Center program: *Provided*, That starting July 1,  
10 2007, the Secretary of Homeland Security shall submit  
11 quarterly reports to the Committees on Appropriations of  
12 the Senate and the House of Representatives detailing the  
13 information required in House Report 110–107.

#### 14 **UNITED STATES CUSTOMS AND BORDER PROTECTION**

##### 15 **SALARIES AND EXPENSES**

##### 16 **(INCLUDING TRANSFER OF FUNDS)**

17 For an additional amount for “Salaries and Ex-  
18 penses”, \$75,000,000, to remain available until September  
19 30, 2008, to support hiring not less than 400 additional  
20 United States Customs and Border Protection Officers, as  
21 well as additional intelligence analysts, trade specialists,  
22 and support staff to target and screen U.S.-bound cargo  
23 on the Northern Border, at overseas locations, and at the  
24 National Targeting Center; to support hiring additional  
25 staffing required for Northern Border Air and Marine op-  
26 erations; to implement Security and Accountability For

1 Every Port Act of 2006 (Public Law 109–347) require-  
2 ments; to advance the goals of the Secure Freight Initia-  
3 tive to improve significantly the ability of United States  
4 Customs and Border Protection to target and analyze  
5 U.S.-bound cargo containers; to expand overseas screening  
6 and physical inspection capacity for U.S.-bound cargo; to  
7 procure and integrate non-intrusive inspection equipment  
8 into inspection and radiation detection operations; and to  
9 improve supply chain security, to include enhanced ana-  
10 lytic and targeting systems using data collected via com-  
11 mercial and government technologies and databases: *Pro-*  
12 *vided*, That up to \$3,000,000 shall be transferred to Fed-  
13 eral Law Enforcement Training Center “Salaries and Ex-  
14 penses”, for basic training costs associated with the addi-  
15 tional personnel funded under this heading: *Provided fur-*  
16 *ther*, That the Secretary shall submit an expenditure plan  
17 for the use of these funds to the Committees on Appro-  
18 priations of the Senate and the House of Representatives  
19 no later than 30 days after enactment of this Act: *Pro-*  
20 *vided further*, That the Secretary shall notify the Commit-  
21 tees on Appropriations of the Senate and the House of  
22 Representatives immediately if United States Customs  
23 and Border Protection does not expect to achieve its plan  
24 of having at least 1,158 Border Patrol agents permanently

1 deployed to the Northern Border by the end of fiscal year  
2 2007, and explain in detail the reasons for any shortfall.

3 AIR AND MARINE INTERDICTION, OPERATIONS,  
4 MAINTENANCE, AND PROCUREMENT

5 For an additional amount for “Air and Marine Inter-  
6 diction, Operations, Maintenance, and Procurement”, for  
7 air and marine operations on the Northern Border, includ-  
8 ing the final Northern Border air wing, \$75,000,000, to  
9 remain available until September 30, 2008, to accelerate  
10 planned deployment of Northern Border Air and Marine  
11 operations, including establishment of the final Northern  
12 Border airwing, procurement of assets such as fixed wing  
13 aircraft, helicopters, unmanned aerial systems, marine and  
14 riverine vessels, and other equipment, relocation of air-  
15 craft, site acquisition, and the design and building of fa-  
16 cilities: *Provided*, That the Secretary shall submit an ex-  
17 penditure plan for the use of these funds to the Commit-  
18 tees on Appropriations of the Senate and the House of  
19 Representatives no later than 30 days after enactment of  
20 this Act.

21 UNITED STATES IMMIGRATION AND CUSTOMS  
22 ENFORCEMENT

23 SALARIES AND EXPENSES

24 For an additional amount for “Salaries and Ex-  
25 penses”, \$6,000,000, to remain available until September  
26 30, 2008; of which \$5,000,000 shall be for the creation

1 of a security advisory opinion unit within the Visa Security  
2 Program; and of which \$1,000,000 shall be for the  
3 Human Smuggling and Trafficking Center.

4       TRANSPORTATION SECURITY ADMINISTRATION

5                   AVIATION SECURITY

6       For an additional amount for "Aviation Security",  
7 \$390,000,000; of which \$285,000,000 shall be for pro-  
8 curement and installation of checked baggage explosives  
9 detection systems, to remain available until expended; of  
10 which \$25,000,000 shall be for checkpoint explosives de-  
11 tection equipment and pilot screening technologies, to re-  
12 main available until expended; and of which \$80,000,000  
13 shall be for air cargo security, to remain available until  
14 September 30, 2009: *Provided*, That of the air cargo fund-  
15 ing made available under this heading, the Transportation  
16 Security Administration shall hire no fewer than 150 addi-  
17 tional air cargo inspectors to establish a more robust en-  
18 forcement and compliance program; complete air cargo  
19 vulnerability assessments for all Category X airports; ex-  
20 pand the National Explosives Detection Canine Program  
21 by no fewer than 170 additional canine teams, including  
22 the use of agency led teams; pursue canine screening  
23 methods utilized internationally that focus on air samples;  
24 and procure and install explosive detection systems, explo-  
25 sive trace machines, and other technologies to screen air



1 cargo: *Provided further*, That no later than 90 days after  
2 the date of enactment of this Act, the Secretary shall pro-  
3 vide the Committees on Appropriations of the Senate and  
4 the House of Representatives an expenditure plan detail-  
5 ing how the Transportation Security Administration will  
6 utilize funding provided under this heading.

7 FEDERAL AIR MARSHALS

8 For an additional amount for “Federal Air Mar-  
9 shals”, \$5,000,000, to remain available until September  
10 30, 2008: *Provided*, That no later than 30 days after en-  
11 actment of this Act, the Secretary shall provide the Com-  
12 mittees on Appropriations of the Senate and the House  
13 of Representatives a report on how these additional funds  
14 will be allocated.

15 NATIONAL PROTECTION AND PROGRAMS

16 INFRASTRUCTURE PROTECTION AND INFORMATION

17 SECURITY

18 For an additional amount for “Infrastructure Protec-  
19 tion and Information Security”, \$24,000,000, to remain  
20 available until September 30, 2008; of which \$12,000,000  
21 shall be for development of State and local interoperability  
22 plans as discussed in House Report 110–107; and of  
23 which \$12,000,000 shall be for implementation of chem-  
24 ical facility security regulations: *Provided*, That within 30  
25 days of the date of enactment of this Act the Secretary  
26 of Homeland Security shall submit to the Committees on

1 Appropriations of the Senate and the House of Represent-  
2 atives detailed expenditure plans for execution of these  
3 funds: *Provided further*, That within 30 days of the date  
4 of enactment of this Act, the Secretary of Homeland Secu-  
5 rity shall submit to the Committees on Appropriations of  
6 the Senate and the House of Representatives a report on  
7 the computer forensics training center detailing the infor-  
8 mation required in House Report 110-107.

9 OFFICE OF HEALTH AFFAIRS

10 For expenses for the "Office of Health Affairs",  
11 \$8,000,000, to remain available until September 30, 2008:  
12 *Provided*, That of the amount made available under this  
13 heading, \$5,500,000 is for nuclear event public health as-  
14 sessment and planning: *Provided further*, That the Office  
15 of Health Affairs shall conduct a nuclear event public  
16 health assessment as described in House Report 110-107:  
17 *Provided further*, That none of the funds made available  
18 under this heading may be obligated until the Committees  
19 on Appropriations of the Senate and the House of Rep-  
20 resentatives receive a plan for expenditure.

21 FEDERAL EMERGENCY MANAGEMENT AGENCY

22 MANAGEMENT AND ADMINISTRATION

23 For expenses for management and administration of  
24 the Federal Emergency Management Agency ("FEMA"),  
25 \$14,000,000, to remain available until September 30,

1 2008: *Provided*, That of the amount made available under  
2 this heading, \$6,000,000 shall be for financial and infor-  
3 mation systems, \$2,500,000 shall be for interstate mutual  
4 aid agreements, \$2,500,000 shall be for FEMA Regional  
5 Office communication equipment, \$2,500,000 shall be for  
6 FEMA strike teams, and \$500,000 shall be for the Law  
7 Enforcement Liaison Office, the Disability Coordinator  
8 and the National Advisory Council: *Provided futher*, That  
9 none of such funds made available under this heading may  
10 be obligated until the Committees on Appropriations of the  
11 Senate and the House of Representatives receive and ap-  
12 prove a plan for expenditure: *Provided further*, That unob-  
13 ligated amounts in the “Administrative and Regional Op-  
14 erations” and “Readiness, Mitigation, Response, and Re-  
15 covery” accounts shall be transferred to “Management  
16 and Administration” and may be used for any purpose au-  
17 thorized for such amounts and subject to limitation on the  
18 use of such amounts.

19 STATE AND LOCAL PROGRAMS

20 For an additional amount for “State and Local Pro-  
21 grams”, \$247,000,000; of which \$110,000,000 shall be for  
22 port security grants pursuant to section 70107(l) of title  
23 46, United States Code to be awarded by September 30,  
24 2007 to tier 1, 2, 3, and 4 ports; of which \$100,000,000  
25 shall be for intercity rail passenger transportation, freight  
26 rail, and transit security grants to be awarded by Sep-

1   tember 30, 2007; of which \$35,000,000 shall be for re-  
2   gional grants and regional technical assistance to tier one  
3   Urban Area Security Initiative cities and other partici-  
4   pating governments for the purpose of developing all-haz-  
5   ard regional catastrophic event plans and preparedness,  
6   as described in House Report 110-107; and of which  
7   \$2,000,000 shall be for technical assistance for operation  
8   and maintenance training on detection and response  
9   equipment that must be competitively awarded: *Provided*,  
10   That none of the funds made available under this heading  
11   may be obligated for such regional grants and regional  
12   technical assistance until the Committees on Appropria-  
13   tions of the Senate and the House of Representatives re-  
14   ceive and approve a plan for expenditure: *Provided further*,  
15   That the Federal Emergency Management Agency shall  
16   provide the regional grants and regional technical assist-  
17   ance expenditure plan to the Committees on Appropria-  
18   tions of the Senate and the House of Representatives on  
19   or before August 1, 2007: *Provided further*, That funds  
20   for such regional grants and regional technical assistance  
21   shall remain available until September 30, 2008.

22       EMERGENCY MANAGEMENT PERFORMANCE GRANTS

23       For an additional amount for “Emergency Manage-  
24   ment Performance Grants”, \$50,000,000.

1 UNITED STATES CITIZENSHIP AND IMMIGRATION  
2 SERVICES

3 For an additional amount for expenses of “United  
4 States Citizenship and Immigration Services” to address  
5 backlogs of security checks associated with pending appli-  
6 cations and petitions, \$8,000,000, to remain available  
7 until September 30, 2008: *Provided*, That none of the  
8 funds made available under this heading shall be available  
9 for obligation until the Secretary of Homeland Security,  
10 in consultation with the United States Attorney General,  
11 submits to the Committees on Appropriations of the Sen-  
12 ate and the House of Representatives a plan to eliminate  
13 the backlog of security checks that establishes information  
14 sharing protocols to ensure United States Citizenship and  
15 Immigration Services has the information it needs to carry  
16 out its mission.

17 SCIENCE AND TECHNOLOGY  
18 RESEARCH, DEVELOPMENT, ACQUISITION, AND  
19 OPERATIONS

For an additional amount for “Research, Develop-  
ment, Acquisition, and Operations” for air cargo security  
research, \$5,000,000, to remain available until expended.

## 1           DOMESTIC NUCLEAR DETECTION OFFICE

## 2           RESEARCH, DEVELOPMENT, AND OPERATIONS

3       For an additional amount for "Research, Develop-  
4 ment, and Operations" for non-container, rail, aviation  
5 and intermodal radiation detection activities,  
6 \$35,000,000, to remain available until expended: *Pro-*  
7 *vided*, That \$5,000,000 is to enhance detection links be-  
8 tween seaports and railroads as authorized in section  
9 121(i) of the Security and Accountability For Every Port  
10 Act of 2006 (Public Law 109-347); \$8,000,000 is to ac-  
11 celerate development and deployment of detection systems  
12 at international rail border crossings; and \$22,000,000 is  
13 for development and deployment of a variety of screening  
14 technologies at aviation facilities.

## 15                           SYSTEMS ACQUISITION

16       For an additional amount for "Systems Acquisition",  
17 \$100,000,000, to remain available until expended: *Pro-*  
18 *vided*, That none of the funds appropriated under this  
19 heading shall be obligated for full scale procurement of  
20 Advanced Spectroscopic Portal Monitors until the Sec-  
21 retary of Homeland Security has certified through a re-  
22 port to the Committees on Appropriations of the Senate  
23 and the House of Representatives that a significant in-  
24 crease in operational effectiveness will be achieved.

## 1       GENERAL PROVISIONS—THIS CHAPTER

2       SEC. 3501. None of the funds provided in this Act,  
3 or Public Law 109–295, shall be available to carry out  
4 section 872 of Public Law 107–296.

5       SEC. 3502. The Secretary of Homeland Security shall  
6 require that all contracts of the Department of Homeland  
7 Security that provide award fees link such fees to success-  
8 ful acquisition outcomes (which outcomes shall be speci-  
9 fied in terms of cost, schedule, and performance).

10                               **CHAPTER 6**

## 11                               LEGISLATIVE BRANCH

## 12                               HOUSE OF REPRESENTATIVES

## 13                               SALARIES AND EXPENSES

14       For an additional amount for “Salaries and Ex-  
15 penses”, \$6,437,000, as follows:

## 16                               ALLOWANCES AND EXPENSES

17       For an additional amount for allowances and ex-  
18 penses as authorized by House resolution or law,  
19 \$6,437,000 for business continuity and disaster recovery,  
20 to remain available until expended.

## 21                               GOVERNMENT ACCOUNTABILITY OFFICE

## 22                               SALARIES AND EXPENSES

23       For an additional amount for “Salaries and Ex-  
24 penses” of the Government Accountability Office,  
25 \$374,000, to remain available until September 30, 2008.

1                                   **CHAPTER 7**  
2                                   DEPARTMENT OF DEFENSE  
3    DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT  
4                                   2005  
5       For deposit into the Department of Defense Base  
6    Closure Account 2005, established by section 2906A(a)(1)  
7    of the Defense Base Closure and Realignment Act of 1990  
8    (10 U.S.C. 2687 note), \$3,136,802,000, to remain avail-  
9    able until expended: *Provided*, That within 30 days of the  
10   enactment of this Act, the Secretary of Defense shall sub-  
11   mit a detailed spending plan to the Committees on Appro-  
12   priations of the House of Representatives and the Senate.  
13       GENERAL PROVISIONS—THIS CHAPTER  
14       SEC. 3701. Notwithstanding any other provision of  
15   law, none of the funds in this or any other Act may be  
16   used to close Walter Reed Army Medical Center until  
17   equivalent medical facilities at the Walter Reed National  
18   Military Medical Center at Naval Medical Center, Be-  
19   thesda, Maryland, and/or the Fort Belvoir, Virginia, Com-  
20   munity Hospital have been constructed and equipped: *Pro-*  
21   *vided*, That to ensure that the quality of care provided  
22   by the Military Health System is not diminished during  
23   this transition, the Walter Reed Army Medical Center  
24   shall be adequately funded, to include necessary renova-



1 tion and maintenance of existing facilities, to maintain the  
2 maximum level of inpatient and outpatient services.

3 SEC. 3702. Notwithstanding any other provision of  
4 law, none of the funds in this or any other Act shall be  
5 used to reorganize or relocate the functions of the Armed  
6 Forces Institute of Pathology (AFIP) until the Secretary  
7 of Defense has submitted, not later than December 31,  
8 2007, a detailed plan and timetable for the proposed reor-  
9 ganization and relocation to the Committees on Appro-  
10 priations and Armed Services of the Senate and House  
11 of Representatives. The plan shall take into consideration  
12 the recommendations of a study being prepared by the  
13 Government Accountability Office (GAO), provided that  
14 such study is available not later than 45 days before the  
15 date specified in this section, on the impact of dispersing  
16 selected functions of AFIP among several locations, and  
17 the possibility of consolidating those functions at one loca-  
18 tion. The plan shall include an analysis of the options for  
19 the location and operation of the Program Management  
20 Office for second opinion consults that are consistent with  
21 the recommendations of the Base Realignment and Clo-  
22 sure Commission, together with the rationale for the op-  
23 tion selected by the Secretary.

24 SEC. 3703. The Secretary of the Navy shall, notwith-  
25 standing any other provision of law, transfer to the Sec-

1 retary of the Air Force, at no cost, all lands, easements,  
2 Air Installation Compatible Use Zones, and facilities at  
3 NASJRB Willow Grove designated for operation as a  
4 Joint Interagency Installation for use by the Pennsylvania  
5 National Guard and other Department of Defense compo-  
6 nents, government agencies, and associated users to per-  
7 form national defense, homeland security, and emergency  
8 preparedness missions.

9 **CHAPTER 8**

10 DEPARTMENT OF STATE AND RELATED

11 AGENCY

12 DEPARTMENT OF STATE

13 ADMINISTRATION OF FOREIGN AFFAIRS

14 DIPLOMATIC AND CONSULAR PROGRAMS

15 (INCLUDING TRANSFER OF FUNDS)

16 For an additional amount for “Diplomatic and Con-  
17 sular Programs”, \$34,103,000, to remain available until  
18 September 30, 2008, of which \$31,845,000 for World  
19 Wide Security Upgrades is available until expended: *Pro-*  
20 *vided*, That of the amount available under this heading,  
21 \$258,000 shall be transferred to, and merged with, funds  
22 available in fiscal year 2007 for expenses for the United  
23 States Commission on International Religious Freedom:  
24 *Provided further*, That within 15 days of enactment of this  
25 Act, the Office of Management and Budget shall apportion  
26 \$15,000,000 from amounts appropriated or otherwise

1 made available by chapter 8 of title II of division B of  
2 Public Law 109-148 under the heading "Emergencies in  
3 the Diplomatic and Consular Service" to reimburse ex-  
4 penditures from that account in facilitating the evacuation  
5 of persons from Lebanon between July 16, 2006 and the  
6 date of enactment of this Act.

7 OFFICE OF THE INSPECTOR GENERAL

8 For an additional amount for "Office of Inspector  
9 General", \$1,500,000, to remain available until December  
10 31, 2008.

11 INTERNATIONAL ORGANIZATIONS

12 CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

13 For an additional amount for "Contributions to  
14 International Organizations", \$50,000,000, to remain  
15 available until September 30, 2008.

16 BILATERAL ECONOMIC ASSISTANCE

17 FUNDS APPROPRIATED TO THE PRESIDENT

18 UNITED STATES AGENCY FOR INTERNATIONAL

19 DEVELOPMENT

20 INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

21 For an additional amount for "International Disaster  
22 and Famine Assistance", \$60,000,000, to remain available  
23 until expended.

1 OPERATING EXPENSES OF THE UNITED STATES AGENCY  
2 FOR INTERNATIONAL DEVELOPMENT

3 For an additional amount for "Operating Expenses  
4 of the United States Agency for International Develop-  
5 ment", \$3,000,000, to remain available until September  
6 30, 2008.

7 OPERATING EXPENSES OF THE UNITED STATES AGENCY  
8 FOR INTERNATIONAL DEVELOPMENT OFFICE OF IN-  
9 SPECTOR GENERAL

10 For an additional amount for "Operating Expenses  
11 of the United States Agency for International Develop-  
12 ment Office of Inspector General", \$3,500,000, to remain  
13 available until September 30, 2008.

14 OTHER BILATERAL ECONOMIC ASSISTANCE  
15 ECONOMIC SUPPORT FUND

16 For an additional amount for "Economic Support  
17 Fund", \$122,300,000, to remain available until Sep-  
18 tember 30, 2008.

19 DEPARTMENT OF STATE  
20 DEMOCRACY FUND

21 For an additional amount for "Democracy Fund",  
22 \$5,000,000, to remain available until September 30, 2008.

1           INTERNATIONAL NARCOTICS CONTROL AND LAW  
2                           ENFORCEMENT  
3                   (INCLUDING RESCISSION OF FUNDS)

4       For an additional amount for "International Nar-  
5       cotics Control and Law Enforcement", \$42,000,000, to re-  
6       main available until September 30, 2008.

7       Of the amounts made available for procurement of  
8       a maritime patrol aircraft for the Colombian Navy under  
9       this heading in Public Law 109-234, \$13,000,000 are re-  
10      scinded.

11                   MIGRATION AND REFUGEE ASSISTANCE

12      For an additional amount for "Migration and Ref-  
13      ugee Assistance", \$59,000,000, to remain available until  
14      September 30, 2008.

15   UNITED STATES EMERGENCY REFUGEE AND MIGRATION  
16                   ASSISTANCE FUND

17      For an additional amount for "United States Emer-  
18      gency Refugee and Migration Assistance Fund",  
19      \$25,000,000, to remain available until expended.

20   NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND  
21                   RELATED PROGRAMS

22      For an additional amount for "Nonproliferation,  
23      Anti-Terrorism, Demining and Related Programs",  
24      \$30,000,000, to remain available until September 30,  
25      2008.

## 1                   MILITARY ASSISTANCE

## 2                   FUNDS APPROPRIATED TO THE PRESIDENT

## 3                   FOREIGN MILITARY FINANCING PROGRAM

4           For an additional amount for “Foreign Military Fi-  
5 nancing Program”, \$45,000,000, to remain available until  
6 September 30, 2008.

## 7                   PEACEKEEPING OPERATIONS

8           For an additional amount for “Peacekeeping Oper-  
9 ations”, \$40,000,000, to remain available until September  
10 30, 2008: *Provided*, That funds appropriated under this  
11 heading shall be made available, notwithstanding section  
12 660 of the Foreign Assistance Act of 1961, for assistance  
13 for Liberia for security sector reform.

## 14           GENERAL PROVISIONS—THIS CHAPTER

## 15                   EXTENSION OF OVERSIGHT AUTHORITY

16           SEC. 3801. Section 3001(o)(1)(B) of the Emergency  
17 Supplemental Appropriations Act for Defense and for the  
18 Reconstruction of Iraq and Afghanistan, 2004 (Public  
19 Law 108–106; 117 Stat. 1238; 5 U.S.C. App., note to sec-  
20 tion 8G of Public Law 95–452), as amended by section  
21 1054(b) of the John Warner National Defense Authoriza-  
22 tion Act for Fiscal Year 2007 (Public Law 109–364; 120  
23 Stat. 2397) and section 2 of the Iraq Reconstruction Ac-  
24 countability Act of 2006 (Public Law 109–440), is amend-  
25 ed by inserting “or fiscal year 2007” after “fiscal year  
26 2006”.

## 1 LEBANON

2 SEC. 3802. (a) LIMITATION ON ECONOMIC SUPPORT  
3 FUND ASSISTANCE FOR LEBANON.—None of the funds  
4 made available in this Act under the heading “Economic  
5 Support Fund” for cash transfer assistance for the Gov-  
6 ernment of Lebanon may be made available for obligation  
7 until the Secretary of State reports to the Committees on  
8 Appropriations on Lebanon’s economic reform plan and  
9 on the specific conditions and verifiable benchmarks that  
10 have been agreed upon by the United States and the Gov-  
11 ernment of Lebanon pursuant to the Memorandum of Un-  
12 derstanding on cash transfer assistance for Lebanon.

13 (b) LIMITATION ON FOREIGN MILITARY FINANCING  
14 PROGRAM AND INTERNATIONAL NARCOTICS CONTROL  
15 AND LAW ENFORCEMENT ASSISTANCE FOR LEBANON.—  
16 None of the funds made available in this Act under the  
17 heading “Foreign Military Financing Program” or “Inter-  
18 national Narcotics Control and Law Enforcement” for  
19 military or police assistance to Lebanon may be made  
20 available for obligation until the Secretary of State sub-  
21 mits to the Committees on Appropriations a report on pro-  
22 cedures established to determine eligibility of members  
23 and units of the armed forces and police forces of Lebanon  
24 to participate in United States training and assistance  
25 programs and on the end use monitoring of all equipment

1 provided under such programs to the Lebanese armed  
2 forces and police forces.

3 (c) CERTIFICATION REQUIRED.—Prior to the initial  
4 obligation of funds made available in this Act for assist-  
5 ance for Lebanon under the headings “Foreign Military  
6 Financing Program” and “Nonproliferation, Anti-Ter-  
7 rorism, Demining and Related Programs”, the Secretary  
8 of State shall certify to the Committees on Appropriations  
9 that all practicable efforts have been made to ensure that  
10 such assistance is not provided to or through any indi-  
11 vidual, or private or government entity, that advocates,  
12 plans, sponsors, engages in, or has engaged in, terrorist  
13 activity.

14 (d) REPORT REQUIRED.—Not later than 45 days  
15 after the date of the enactment of this Act, the Secretary  
16 of State shall submit to the Committees on Appropriations  
17 a report on the Government of Lebanon’s actions to imple-  
18 ment section 14 of United Nations Security Council Reso-  
19 lution 1701 (August 11, 2006).

20 (e) SPECIAL AUTHORITY.—This section shall be ef-  
21 fective notwithstanding section 534(a) of Public Law 109–  
22 102, which is made applicable to funds appropriated for  
23 fiscal year 2007 by the Continuing Appropriations Resolu-  
24 tion, 2007 (division B of Public Law 109–289, as amend-  
25 ed by Public Law 110–5).



## 1 DEBT RESTRUCTURING

2 SEC. 3803. Amounts appropriated for fiscal year  
3 2007 for “Bilateral Economic Assistance—Department of  
4 the Treasury—Debt Restructuring” may be used to assist  
5 Liberia in retiring its debt arrearages to the International  
6 Monetary Fund, the International Bank for Reconstruct-  
7 tion and Development, and the African Development  
8 Bank.

## 9 GOVERNMENT ACCOUNTABILITY OFFICE

10 SEC. 3804. To facilitate effective oversight of pro-  
11 grams and activities in Iraq by the Government Account-  
12 ability Office (GAO), the Department of State shall pro-  
13 vide GAO staff members the country clearances, life sup-  
14 port, and logistical and security support necessary for  
15 GAO personnel to establish a presence in Iraq for periods  
16 of not less than 45 days.

## 17 HUMAN RIGHTS AND DEMOCRACY FUND

18 SEC. 3805. The Assistant Secretary of State for De-  
19 mocracy, Human Rights, and Labor shall be responsible  
20 for all policy, funding, and programming decisions regard-  
21 ing funds made available under this Act and prior Acts  
22 making appropriations for foreign operations, export fi-  
23 nancing and related programs for the Human Rights and  
24 Democracy Fund of the Bureau of Democracy, Human  
25 Rights, and Labor.

1 INSPECTOR GENERAL OVERSIGHT OF IRAQ AND  
2 AFGHANISTAN

3 SEC. 3806. (a) IN GENERAL.—Subject to paragraph  
4 (2), the Inspector General of the Department of State and  
5 the Broadcasting Board of Governors (referred to in this  
6 section as the “Inspector General”) may use personal  
7 services contracts to engage citizens of the United States  
8 to facilitate and support the Office of the Inspector Gen-  
9 eral’s oversight of programs and operations related to Iraq  
10 and Afghanistan. Individuals engaged by contract to per-  
11 form such services shall not, by virtue of such contract,  
12 be considered to be employees of the United States Gov-  
13 ernment for purposes of any law administered by the Of-  
14 fice of Personnel Management. The Secretary of State  
15 may determine the applicability to such individuals of any  
16 law administered by the Secretary concerning the perform-  
17 ance of such services by such individuals.

18 (b) CONDITIONS.—The authority under paragraph  
19 (1) is subject to the following conditions:

20 (1) The Inspector General determines that ex-  
21 isting personnel resources are insufficient.

22 (2) The contract length for a personal services  
23 contractor, including options, may not exceed 1 year,  
24 unless the Inspector General makes a finding that

1 exceptional circumstances justify an extension of up  
2 to 1 additional year.

3 (3) Not more than 10 individuals may be em-  
4 ployed at any time as personal services contractors  
5 under the program.

6 (c) TERMINATION OF AUTHORITY.—The authority to  
7 award personal services contracts under this section shall  
8 terminate on December 31, 2007. A contract entered into  
9 prior to the termination date under this paragraph may  
10 remain in effect until not later than December 31, 2009.

11 (d) OTHER AUTHORITIES NOT AFFECTED.—The au-  
12 thority under this section is in addition to any other au-  
13 thority of the Inspector General to hire personal services  
14 contractors.

15 FUNDING TABLES, REPORTS AND DIRECTIVES

16 SEC. 3807. (a) Funds provided in this Act for the  
17 following accounts shall be made available for countries,  
18 programs and activities in the amounts contained in the  
19 respective tables and should be expended consistent with  
20 the reporting requirements and directives included in the  
21 joint explanatory statement accompanying the conference  
22 report on H.R. 1591 of the 110th Congress (H. Rept.  
23 110–107):

24 “Diplomatic and Consular Programs”.

25 “Office of the Inspector General”.

1           “Educational and Cultural Exchange Pro-  
2       grams”.

3           “Contributions to International Organizations”.

4           “Contributions for International Peacekeeping  
5       Activities”.

6           “Child Survival and Health Programs Fund”.

7           “International Disaster and Famine Assist-  
8       ance”.

9           “Operating Expenses of the United States  
10       Agency for International Development”.

11          “Operating Expenses of the United States  
12       Agency for International Development Office of In-  
13       specter General”.

14          “Economic Support Fund”.

15          “Assistance for Eastern Europe and the Baltic  
16       States”.

17          “Democracy Fund”.

18          “International Narcotics Control and Law En-  
19       forcement”.

20          “Migration and Refugee Assistance”.

21          “Nonproliferation, Anti-Terrorism, Demining  
22       and Related Programs”.

23          “Foreign Military Financing Program”.

24          “Peacekeeping Operations”.

1 (b) Any proposed increases or decreases to the  
2 amounts contained in the tables in the joint explanatory  
3 statement shall be subject to the regular notification pro-  
4 cedures of the Committees on Appropriations and section  
5 634A of the Foreign Assistance Act of 1961.

6 SPENDING PLAN AND NOTIFICATION PROCEDURES

7 SEC. 3808. Not later than 45 days after enactment  
8 of this Act the Secretary of State shall submit to the Com-  
9 mittees on Appropriations a report detailing planned ex-  
10 penditures for funds appropriated under the headings in  
11 this chapter and under the headings in chapter 6 of title  
12 I, except for funds appropriated under the heading "Inter-  
13 national Disaster and Famine Assistance": *Provided*, That  
14 funds appropriated under the headings in this chapter and  
15 in chapter 6 of title I, except for funds appropriated under  
16 the heading named in this section, shall be subject to the  
17 regular notification procedures of the Committees on Ap-  
18 propriations.

19 CONDITIONS ON ASSISTANCE FOR PAKISTAN

20 SEC. 3809. None of the funds made available for as-  
21 sistance for the central Government of Pakistan under the  
22 heading "Economic Support Fund" in this Act may be  
23 made available for non-project assistance until the Sec-  
24 retary of State submits to the Committees on Appropria-  
25 tions a report on the oversight mechanisms, performance  
26 benchmarks, and implementation processes for such

1 funds: *Provided*, That notwithstanding any other provision  
2 of law, funds made available for non-project assistance  
3 pursuant to the previous proviso shall be subject to the  
4 regular notification procedures of the Committees on Ap-  
5 propriations: *Provided further*, That of the funds made  
6 available for assistance for Pakistan under the heading  
7 “Economic Support Fund” in this Act, \$5,000,000 shall  
8 be made available for the Human Rights and Democracy  
9 Fund of the Bureau of Democracy, Human Rights, and  
10 Labor, Department of State, for political party develop-  
11 ment and election observation programs.

12 CIVILIAN RESERVE CORPS

13 SEC. 3810. Of the funds appropriated by this Act  
14 under the heading “Diplomatic and Consular Programs”,  
15 up to \$50,000,000 may be made available to support and  
16 maintain a civilian reserve corps: *Provided*, That none of  
17 the funds for a civilian reserve corps may be obligated  
18 without specific authorization in a subsequent Act of Con-  
19 gress: *Provided further*, That funds made available for this  
20 purpose shall be subject to the regular notification proce-  
21 dures of the Committees on Appropriations.

22 EXTENSION OF AVAILABILITY OF FUNDS

23 SEC. 3811. Section 1302(a) of Public Law 109–234  
24 is amended by striking “one additional year” and inserting  
25 “two additional years”.

1 SPECIAL IMMIGRANT STATUS FOR CERTAIN ALIENS SERV-  
2 ING AS TRANSLATORS OR INTERPRETERS WITH FED-  
3 ERAL AGENCIES

4 SEC. 3812. (a) INCREASE IN NUMBERS ADMITTED.—  
5 Section 1059 of the National Defense Authorization Act  
6 for Fiscal Year 2006 (8 U.S.C. 1101 note) is amended—

7 (1) in subsection (b)(1)—

8 (A) in subparagraph (B), by striking “as a  
9 translator” and inserting “, or under Chief of  
10 Mission authority, as a translator or inter-  
11 preter”;

12 (B) in subparagraph (C), by inserting “the  
13 Chief of Mission or” after “recommendation  
14 from”; and

15 (C) in subparagraph (D), by inserting “the  
16 Chief of Mission or” after “as determined by”;  
17 and

18 (2) in subsection (c)(1), by striking “section  
19 during any fiscal year shall not exceed 50.” and in-  
20 serting the following: “section—

21 “(A) during each of the fiscal years 2007  
22 and 2008, shall not exceed 500; and

23 “(B) during any other fiscal year shall not  
24 exceed 50.”.

1 (b) ALIENS EXEMPT FROM EMPLOYMENT-BASED  
2 NUMERICAL LIMITATIONS.—Section 1059(c)(2) of such  
3 Act is amended—

4 (1) by amending the paragraph designation and  
5 heading to read as follows:

6 “(2) ALIENS EXEMPT FROM EMPLOYMENT-  
7 BASED NUMERICAL LIMITATIONS.—”; and

8 (2) by inserting “and shall not be counted  
9 against the numerical limitations under sections  
10 201(d), 202(a), and 203(b)(4) of the Immigration  
11 and Nationality Act (8 U.S.C. 1151(d), 1152(a),  
12 and 1153(b)(4))” before the period at the end.

13 (c) ADJUSTMENT OF STATUS.—Section 1059 of such  
14 Act is further amended—

15 (1) by redesignating subsection (d) as sub-  
16 section (e); and

17 (2) by inserting after subsection (e) the fol-  
18 lowing:

19 “(d) ADJUSTMENT OF STATUS.—Notwithstanding  
20 paragraphs (2), (7) and (8) of section 245(c) of the Immi-  
21 gration and Nationality Act (8 U.S.C. 1255(c)), the Sec-  
22 retary of Homeland Security may adjust the status of an  
23 alien to that of a lawful permanent resident under section  
24 245(a) of such Act if the alien—



1       “(1) was paroled or admitted as a nonimmigrant into  
2 the United States; and

3       “(2) is otherwise eligible for special immigrant  
4 status under this section and under the Immigration  
5 and Nationality Act.”.

6 **TITLE IV—ADDITIONAL HURRI-**  
7 **CANE DISASTER RELIEF AND**  
8 **RECOVERY**

9 **CHAPTER 1**

10 DEPARTMENT OF AGRICULTURE

11 GENERAL PROVISION—THIS CHAPTER

12 SEC. 4101. Section 1231(k)(2) of the Food Security  
13 Act of 1985 (16 U.S.C. 3831(k)(2)) is amended by strik-  
14 ing “During calendar year 2006, the” and inserting  
15 “The”.

16 **CHAPTER 2**

17 DEPARTMENT OF JUSTICE

18 OFFICE OF JUSTICE PROGRAMS

19 STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

20 For an additional amount for “State and Local Law  
21 Enforcement Assistance”, for discretionary grants author-  
22 ized by subpart 2 of part E, of title I of the Omnibus  
23 Crime Control and Safe Streets Act of 1968 as in effect  
24 on September 30, 2006, notwithstanding the provisions of  
25 section 511 of said Act, \$50,000,000, to remain available

1 until expended: *Provided*, That the amount made available  
2 under this heading shall be for local law enforcement ini-  
3 tiatives in the Gulf Coast region related to the aftermath  
4 of Hurricane Katrina: *Provided further*, That these funds  
5 shall be apportioned among the States in quotient to their  
6 level of violent crime as estimated by the Federal Bureau  
7 of Investigation's Uniform Crime Report for the year  
8 2005.

9 DEPARTMENT OF COMMERCE  
10 NATIONAL OCEANIC AND ATMOSPHERIC  
11 ADMINISTRATION

12 OPERATIONS, RESEARCH, AND FACILITIES

13 For an additional amount for "Operations, Research,  
14 and Facilities", for necessary expenses related to the con-  
15 sequences of Hurricanes Katrina and Rita on the shrimp  
16 and fishing industries, \$110,000,000, to remain available  
17 until September 30, 2008.

18 NATIONAL AERONAUTICS AND SPACE  
19 ADMINISTRATION

20 EXPLORATION CAPABILITIES

21 For an additional amount for "Exploration Capabili-  
22 ties" for necessary expenses related to the consequences  
23 of Hurricane Katrina, \$20,000,000, to remain available  
24 until September 30, 2009.

## 1       GENERAL PROVISIONS—THIS CHAPTER

2       SEC. 4201. Funds provided in this Act for the “De-  
3       partment of Commerce, National Oceanic and Atmos-  
4       pheric Administration, Operations, Research, and Facili-  
5       ties”, shall be made available according to the language  
6       relating to such account in the joint explanatory statement  
7       accompanying the conference report on H.R. 1591 of the  
8       110th Congress (H. Rept. 110–107).

9       SEC. 4202. Up to \$48,000,000 of amounts made  
10      available to the National Aeronautics and Space Adminis-  
11      tration in Public Law 109–148 and Public Law 109–234  
12      for emergency hurricane and other natural disaster-re-  
13      lated expenses may be used to reimburse hurricane-related  
14      costs incurred by NASA in fiscal year 2005.

15                               **CHAPTER 3**

## 16               DEPARTMENT OF DEFENSE—CIVIL

## 17                       DEPARTMENT OF THE ARMY

## 18                               CORPS OF ENGINEERS—CIVIL

## 19                                       CONSTRUCTION

20      For an additional amount for “Construction” for nec-  
21      essary expenses related to the consequences of Hurricane  
22      Katrina and other hurricanes of the 2005 season,  
23      \$25,300,000, to remain available until expended, which  
24      may be used to continue construction of projects related

1 to interior drainage for the greater New Orleans metro-  
2 politan area.

3 FLOOD CONTROL AND COASTAL EMERGENCIES

4 For an additional amount for "Flood Control and  
5 Coastal Emergencies", as authorized by section 5 of the  
6 Act of August 18, 1941 (33 U.S.C. 701n), for necessary  
7 expenses relating to the consequences of Hurricanes  
8 Katrina and Rita and for other purposes, \$1,407,700,000,  
9 to remain available until expended: *Provided*, That  
10 \$1,300,000,000 of the amount provided may be used by  
11 the Secretary of the Army to carry out projects and meas-  
12 ures for the West Bank and Vicinity and Lake  
13 Ponchartrain and Vicinity, Louisiana, projects, as de-  
14 scribed under the heading "Flood Control and Coastal  
15 Emergencies", in chapter 3 of Public Law 109-148: *Pro-*  
16 *vided further*, That \$107,700,000 of the amount provided  
17 may be used to implement the projects for hurricane storm  
18 damage reduction, flood damage reduction, and ecosystem  
19 restoration within Hancock, Harrison, and Jackson Coun-  
20 ties, Mississippi substantially in accordance with the Re-  
21 port of the Chief of Engineers dated December 31, 2006,  
22 and entitled "Mississippi, Coastal Improvements Program  
23 Interim Report, Hancock, Harrison, and Jackson Coun-  
24 ties, Mississippi": *Provided further*, That projects author-  
25 ized for implementation under this Chief's report shall be  
26 carried out at full Federal expense, except that the non-

1 Federal interests shall be responsible for providing for all  
2 costs associated with operation and maintenance of the  
3 project: *Provided further*, That any project using funds ap-  
4 propriated under this heading shall be initiated only after  
5 non-Federal interests have entered into binding agree-  
6 ments with the Secretary requiring the non-Federal inter-  
7 ests to pay 100 percent of the operation, maintenance, re-  
8 pair, replacement, and rehabilitation costs of the project  
9 and to hold and save the United States free from damages  
10 due to the construction or operation and maintenance of  
11 the project, except for damages due to the fault or neg-  
12 ligence of the United States or its contractors: *Provided*  
13 *further*, That the Chief of Engineers, acting through the  
14 Assistant Secretary of the Army for Civil Works, shall pro-  
15 vide a monthly report to the House and Senate Commit-  
16 tees on Appropriations detailing the allocation and obliga-  
17 tion of these funds, beginning not later than 60 days after  
18 enactment of this Act.

19 GENERAL PROVISIONS—THIS CHAPTER

20 SEC. 4301. The Secretary is authorized and directed  
21 to determine the value of eligible reimbursable expenses  
22 incurred by local governments in storm-proofing pumping  
23 stations, constructing safe houses for operators, and other  
24 interim flood control measures in and around the New Or-  
25 leans metropolitan area that the Secretary determines to

1 be integral to the overall plan to ensure operability of the  
2 stations during hurricanes, storms and high water events  
3 and the flood control plan for the area.

4 SEC. 4302. (a) The Secretary of the Army is author-  
5 ized and directed to utilize funds remaining available for  
6 obligation from the amounts appropriated in chapter 3 of  
7 Public Law 109-234 under the heading "Flood Control  
8 and Coastal Emergencies" for projects in the greater New  
9 Orleans metropolitan area to prosecute these projects in  
10 a manner which promotes the goal of continuing work at  
11 an optimal pace, while maximizing, to the greatest extent  
12 practicable, levels of protection to reduce the risk of storm  
13 damage to people and property.

14 (b) The expenditure of funds as provided in sub-  
15 section (a) may be made without regard to individual  
16 amounts or purposes specified in chapter 3 of Public Law  
17 109-234.

18 (c) Any reallocation of funds that are necessary to  
19 accomplish the goal established in subsection (a) are au-  
20 thorized, subject to the approval of the House and Senate  
21 Committees on Appropriation.

22 SEC. 4303. The Chief of Engineers shall investigate  
23 the overall technical advantages, disadvantages and oper-  
24 ational effectiveness of operating the new pumping sta-  
25 tions at the mouths of the 17th Street, Orleans Avenue

1 and London Avenue canals in the New Orleans area di-  
2 rected for construction in Public Law 109-234 concur-  
3 rently or in series with existing pumping stations serving  
4 these canals and the advantages, disadvantages and tech-  
5 nical operational effectiveness of removing the existing  
6 pumping stations and configuring the new pumping sta-  
7 tions and associated canals to handle all needed discharges  
8 to the lakefront or in combination with discharges directly  
9 to the Mississippi River in Jefferson Parish; and the ad-  
10 vantages, disadvantages and technical operational effec-  
11 tiveness of replacing or improving the floodwalls and levees  
12 adjacent to the three outfall canals: *Provided*, That the  
13 analysis should be conducted at Federal expense: *Provided*  
14 *further*, That the analysis shall be completed and fur-  
15 nished to the Congress not later than three months after  
16 enactment of this Act.

17 SEC. 4304. Using funds made available in Chapter  
18 3 under title II of Public Law 109-234, under the heading  
19 "Investigations", the Secretary of the Army, in consulta-  
20 tion with other agencies and the State of Louisiana shall  
21 accelerate completion as practicable the final report of the  
22 Chief of Engineers recommending a comprehensive plan  
23 to deauthorize deep draft navigation on the Mississippi  
24 River Gulf Outlet: *Provided*, That the plan shall incor-  
25 porate and build upon the Interim Mississippi River Gulf

1 Outlet Deep-Draft De-Authorization Report submitted to  
2 Congress in December 2006 pursuant to Public Law 109–  
3 234.

#### 4 **CHAPTER 4**

##### 5 **SMALL BUSINESS ADMINISTRATION**

##### 6 **DISASTER LOANS PROGRAM ACCOUNT**

##### 7 **(INCLUDING TRANSFERS OF FUNDS)**

8 Of the unobligated balances under the heading  
9 “Small Business Administration, Disaster Loans Program  
10 Account”, \$181,069,000, to remain available until ex-  
11 pended, shall be used for administrative expenses to carry  
12 out the disaster loan program, which may be transferred  
13 to and merged with “Small Business Administration, Sal-  
14 aries and Expenses”, of which \$500,000 is for the Office  
15 of Inspector General of the Small Business Administration  
16 for audits and reviews of disaster loans and the disaster  
17 loan program and shall be paid to appropriations for the  
18 Office of Inspector General; of which \$171,569,000 is for  
19 direct administrative expenses of loan making and serv-  
20 icing to carry out the direct loan program; and of which  
21 \$9,000,000 is for indirect administrative expenses.

22 Of the unobligated balances under the heading  
23 “Small Business Administration, Disaster Loans Program  
24 Account”, \$25,000,000 shall be made available for loans  
25 under section 7(b)(2) of the Small Business Act to pre-



1 existing businesses located in an area for which the Presi-  
2 dent declared a major disaster because of the hurricanes  
3 in the Gulf of Mexico in calendar year 2005, of which not  
4 to exceed \$8,750,000 is for direct administrative expenses  
5 and may be transferred to and merged with “Small Busi-  
6 ness Administration, Salaries and Expenses” to carry out  
7 the disaster loan program of the Small Business Adminis-  
8 tration.

9 Of the unobligated balances under the heading  
10 “Small Business Administration, Disaster Loans Program  
11 Account”, \$150,000,000 is transferred to the “Federal  
12 Emergency Management Agency, Disaster Relief” ac-  
13 count.

## 14 CHAPTER 5

### 15 DEPARTMENT OF HOMELAND SECURITY

#### 16 FEDERAL EMERGENCY MANAGEMENT AGENCY

##### 17 DISASTER RELIEF

##### 18 (INCLUDING TRANSFER OF FUNDS)

19 For an additional amount for “Disaster Relief”,  
20 \$710,000,000, to remain available until expended: *Pro-*  
21 *vided*, That \$4,000,000 shall be transferred to “Office of  
22 Inspector General”: *Provided further*, That the Govern-  
23 ment Accountability Office shall review how the Federal  
24 Emergency Management Agency develops its estimates of  
25 the funds needed to respond to any given disaster as de-  
26 scribed in House Report 110–60.

1       GENERAL PROVISIONS—THIS CHAPTER

2       SEC. 4501. (a) IN GENERAL.—Notwithstanding any  
3 other provision of law, including any agreement, the Fed-  
4 eral share of assistance, including direct Federal assist-  
5 ance, provided for the States of Louisiana, Mississippi,  
6 Florida, Alabama, and Texas in connection with Hurri-  
7 canes Katrina, Wilma, Dennis, and Rita under sections  
8 403, 406, 407, and 408 of the Robert T. Stafford Disaster  
9 Relief and Emergency Assistance Act (42 U.S.C. 5170b,  
10 5172, 5173, and 5174) shall be 100 percent of the eligible  
11 costs under such sections.

12       (b) APPLICABILITY.—

13           (1) IN GENERAL.—The Federal share provided  
14 by subsection (a) shall apply to disaster assistance  
15 applied for before the date of enactment of this Act.

16           (2) LIMITATION.—In the case of disaster assist-  
17 ance provided under sections 403, 406, and 407 of  
18 the Robert T. Stafford Disaster Relief and Emer-  
19 gency Assistance Act, the Federal share provided by  
20 subsection (a) shall be limited to assistance provided  
21 for projects for which a “request for public assist-  
22 ance form” has been submitted.

23       SEC. 4502. (a) COMMUNITY DISASTER LOAN ACT.—

24           (1) IN GENERAL.—Section 2(a) of the Commu-  
25 nity Disaster Loan Act of 2005 (Public Law 109—

1       88) is amended by striking “*Provided further*, That  
2       notwithstanding section 417(c)(1) of the Stafford  
3       Act, such loans may not be canceled:”.

4           (2) EFFECTIVE DATE.—The amendment made  
5       by paragraph (1) shall be effective on the date of en-  
6       actment of the Community Disaster Loan Act of  
7       2005 (Public Law 109–88).

8       (b) EMERGENCY SUPPLEMENTAL APPROPRIATIONS  
9       ACT.—

10           (1) IN GENERAL.—Chapter 4 of title II of the  
11       Emergency Supplemental Appropriations Act for  
12       Defense, the Global War on Terror, and Hurricane  
13       Recovery, 2006 (Public Law 109–234) is amended  
14       under Federal Emergency Management Agency,  
15       “Disaster Assistance Direct Loan Program Ac-  
16       count” by striking “*Provided further*, That notwith-  
17       standing section 417(c)(1) of such Act, such loans  
18       may not be canceled:”.

19           (2) EFFECTIVE DATE.—The amendment made  
20       by paragraph (1) shall be effective on the date of en-  
21       actment of the Emergency Supplemental Appropria-  
22       tions Act for Defense, the Global War on Terror,  
23       and Hurricane Recovery, 2006 (Public Law 109–  
24       234).

1       SEC. 4503. (a) IN GENERAL.—Section 2401 of the  
2   Emergency Supplemental Appropriations Act for Defense,  
3   the Global War on Terror, and Hurricane Recovery, 2006  
4   (Public Law 109–234) is amended by striking “12  
5   months” and inserting “24 months”.

6       (b) EFFECTIVE DATE.—The amendment made by  
7   this section shall be effective on the date of enactment of  
8   the Emergency Supplemental Appropriations Act for De-  
9   fense, the Global War on Terror, and Hurricane Recovery,  
10  2006 (Public Law 109–234).

## 11                               **CHAPTER 6**

### 12                   DEPARTMENT OF THE INTERIOR

#### 13                               NATIONAL PARK SERVICE

#### 14                               HISTORIC PRESERVATION FUND

15       For an additional amount for the “Historic Preserva-  
16   tion Fund” for necessary expenses related to the con-  
17   sequences of Hurricane Katrina and other hurricanes of  
18   the 2005 season, \$10,000,000, to remain available until  
19   September 30, 2008: *Provided*, That the funds provided  
20   under this heading shall be provided to the State Historic  
21   Preservation Officer, after consultation with the National  
22   Park Service, for grants for disaster relief in areas of Lou-  
23   isiana impacted by Hurricanes Katrina or Rita: *Provided*  
24   *further*, That grants shall be for the preservation, sta-  
25   bilization, rehabilitation, and repair of historic properties

1 listed in or eligible for the National Register of Historic  
2 Places, for planning and technical assistance: *Provided*  
3 *further*, That grants shall only be available for areas that  
4 the President determines to be a major disaster under sec-  
5 tion 102(2) of the Robert T. Stafford Disaster Relief and  
6 Emergency Assistance Act (42 U.S.C. 5122(2)) due to  
7 Hurricanes Katrina or Rita: *Provided further*, That indi-  
8 vidual grants shall not be subject to a non-Federal match-  
9 ing requirement: *Provided further*, That no more than 5  
10 percent of funds provided under this heading for disaster  
11 relief grants may be used for administrative expenses.

12 GENERAL PROVISION—THIS CHAPTER

13 (INCLUDING TRANSFER OF FUNDS)

14 SEC. 4601. Of the disaster relief funds from Public  
15 Law 109–234, 120 Stat. 418, 461, (June 30, 2006), chap-  
16 ter 5, “National Park Service—Historic Preservation  
17 Fund”, for necessary expenses related to the consequences  
18 of Hurricane Katrina and other hurricanes of the 2005  
19 season that were allocated to the State of Mississippi by  
20 the National Park Service, \$500,000 is hereby transferred  
21 to the “National Park Service—National Recreation and  
22 Preservation” appropriation: *Provided*, That these funds  
23 may be used to reconstruct destroyed properties that at  
24 the time of destruction were listed in the National Register  
25 of Historic Places and are otherwise qualified to receive

1 these funds: *Provided further*, That the State Historic  
2 Preservation Officer certifies that, for the community  
3 where that destroyed property was located, the property  
4 is iconic to or essential to illustrating that community's  
5 historic identity, that no other property in that community  
6 with the same associative historic value has survived, and  
7 that sufficient historical documentation exists to ensure  
8 an accurate reproduction.

9

**CHAPTER 7**

10

**DEPARTMENT OF EDUCATION**

11

**HIGHER EDUCATION**

12 For an additional amount under part B of title VII  
13 of the Higher Education Act of 1965 ("HEA") for institu-  
14 tions of higher education (as defined in section 101 or sec-  
15 tion 102(c) of that Act) that are located in an area in  
16 which a major disaster was declared in accordance with  
17 section 401 of the Robert T. Stafford Disaster Relief and  
18 Emergency Assistance Act related to Hurricanes Katrina  
19 or Rita, \$30,000,000: *Provided*, That such funds shall be  
20 available to the Secretary of Education only for payments  
21 to help defray the expenses (which may include lost rev-  
22 enue, reimbursement for expenses already incurred, and  
23 construction) incurred by such institutions of higher edu-  
24 cation that were forced to close, relocate or significantly  
25 curtail their activities as a result of damage directly

1 caused by such hurricanes and for payments to enable  
2 such institutions to provide grants to students who attend  
3 such institutions for academic years beginning on or after  
4 July 1, 2006: *Provided further*, That such payments shall  
5 be made in accordance with criteria established by the Sec-  
6 retary and made publicly available without regard to sec-  
7 tion 437 of the General Education Provisions Act, section  
8 553 of title 5, United States Code, or part B of title VII  
9 of the HEA: *Provided further*, That the Secretary shall  
10 award funds available under this paragraph not later than  
11 60 days after the date of the enactment of this Act.

12 HURRICANE EDUCATION RECOVERY

13 For carrying out activities authorized by subpart 1  
14 of part D of title V of the Elementary and Secondary Edu-  
15 cation Act of 1965, \$30,000,000, to remain available until  
16 expended, for use by the States of Louisiana, Mississippi,  
17 and Alabama primarily for recruiting, retaining, and com-  
18 pensating new and current teachers, school principals, as-  
19 sistant principals, principal resident directors, assistant  
20 directors, and other educators, who commit to work for  
21 at least three years in school-based positions in public ele-  
22 mentary and secondary schools located in an area with re-  
23 spect to which a major disaster was declared under section  
24 401 of the Robert T. Stafford Disaster Relief and Emer-  
25 gency Assistance Act (42 U.S.C. 5170) by reason of Hur-

1 ricane Katrina or Hurricane Rita, including through such  
2 mechanisms as paying salary premiums, performance bo-  
3 nuses, housing subsidies, signing bonuses, and relocation  
4 costs and providing loan forgiveness, with priority given  
5 to teachers and school-based school principals, assistant  
6 principals, principal resident directors, assistant directors,  
7 and other educators who previously worked or lived in one  
8 of the affected areas, are currently employed (or become  
9 employed) in such a school in any of the affected areas  
10 after those disasters, and commit to continue that employ-  
11 ment for at least 3 years, *Provided*, That funds available  
12 under this heading to such States may also be used for  
13 1 or more of the following activities: (1) to build the capac-  
14 ity, knowledge, and skill of teachers and school-based  
15 school principals, assistant principals, principal resident  
16 directors, assistant directors, and other educators in such  
17 public elementary and secondary schools to provide an ef-  
18 fective education, including the design, adaptation, and  
19 implementation of high-quality formative assessments; (2)  
20 the establishment of partnerships with nonprofit entities  
21 with a demonstrated track record in recruiting and retain-  
22 ing outstanding teachers and other school-based school  
23 principals, assistant principals, principal resident direc-  
24 tors, and assistant directors; and (3) paid release time for  
25 teachers and principals to identify and replicate successful



1 practices from the fastest-improving and highest-per-  
2 forming schools: *Provided further*, That the Secretary of  
3 Education shall allocate amounts available under this  
4 heading among such States that submit applications; that  
5 such allocation shall be based on the number of public ele-  
6 mentary and secondary schools in each State that were  
7 closed for 19 days or more during the period beginning  
8 on August 29, 2005, and ending on December 31, 2005,  
9 due to Hurricane Katrina or Hurricane Rita; and that  
10 such States shall in turn allocate funds to local edu-  
11 cational agencies, with priority given first to such agencies  
12 with the highest percentages of public elementary and sec-  
13 ondary schools that are closed as a result of such hurri-  
14 canes as of the date of enactment of this Act and then  
15 to such agencies with the highest percentages of public  
16 elementary and secondary schools with a student-teacher  
17 ratio of at least 25 to 1, and with any remaining amounts  
18 to be distributed to such agencies with demonstrated need,  
19 as determined by the State Superintendent of Education:  
20 *Provided further*, That, in the case of any State that choos-  
21 es to use amounts available under this heading for per-  
22 formance bonuses, not later than 60 days after the date  
23 of enactment of this Act, and in collaboration with local  
24 educational agencies, teachers' unions, local principals' or-  
25 ganizations, local parents' organizations, local business or-

1 ganizations, and local charter schools organizations, the  
2 State educational agency shall develop a plan for a rating  
3 system for performance bonuses, and if no agreement has  
4 been reached that is satisfactory to all consulting entities  
5 by such deadline, the State educational agency shall imme-  
6 diately send a letter notifying Congress and shall, not later  
7 than 30 days after such notification, establish and imple-  
8 ment a rating system that shall be based on classroom  
9 observation and feedback more than once annually, con-  
10 ducted by multiple sources (including, but not limited to,  
11 principals and master teachers), and evaluated against re-  
12 search-based rubrics that use planning, instructional, and  
13 learning environment standards to measure teacher per-  
14 formance, except that the requirements of this proviso  
15 shall not apply to a State that has enacted a State law  
16 in 2006 authorizing performance pay for teachers.

17       PROGRAMS TO RESTART SCHOOL OPERATIONS

18       Funds made available under section 102 of the Hur-  
19 ricane Education Recovery Act (title IV of division B of  
20 Public Law 109–148) may be used by the States of Lou-  
21 isiana, Mississippi, Alabama, and Texas, in addition to the  
22 uses of funds described in section 102(e), for the following  
23 costs: (1) recruiting, retaining, and compensating new and  
24 current teachers, school principals, assistant principals,  
25 principal resident directors, assistant directors, and other

1 educators for school-based positions in public elementary  
2 and secondary schools impacted by Hurricane Katrina or  
3 Hurricane Rita, including through such mechanisms as  
4 paying salary premiums, performance bonuses, housing  
5 subsidies, signing bonuses, and relocation costs and pro-  
6 viding loan forgiveness; (2) activities to build the capacity,  
7 knowledge, and skills of teachers and school-based school  
8 principals, assistant principals, principal resident direc-  
9 tors, assistant directors, and other educators in such pub-  
10 lic elementary and secondary schools to provide an effec-  
11 tive education, including the design, adaptation, and im-  
12 plementation of high-quality formative assessments; (3)  
13 the establishment of partnerships with nonprofit entities  
14 with a demonstrated track record in recruiting and retain-  
15 ing outstanding teachers and school-based school prin-  
16 cipals, assistant principals, principal resident directors,  
17 and assistant directors; and (4) paid release time for  
18 teachers and principals to identify and replicate successful  
19 practices from the fastest-improving and highest-per-  
20 forming schools.

21       GENERAL PROVISIONS—THIS CHAPTER

22       SEC. 4701. Section 105(b) of title IV of division B  
23 of Public Law 109–148 is amended by adding at the end  
24 the following new sentence: “With respect to the program  
25 authorized by section 102 of this Act, the waiver authority

1 in subsection (a) of this section shall be available until  
2 the end of fiscal year 2008.”.

3 SEC. 4702. Notwithstanding section 2002(c) of the  
4 Social Security Act (42 U.S.C. 1397a(c)), funds made  
5 available under the heading “Social Services Block Grant”  
6 in division B of Public Law 109–148 shall be available  
7 for expenditure by the States through the end of fiscal  
8 year 2009.

9 SEC. 4703. (a) In the event that Louisiana, Mis-  
10 sissippi, Alabama, or Texas fails to meet its match re-  
11 quirement with funds appropriated in fiscal years 2006  
12 or 2007, for fiscal years 2008 and 2009, the Secretary  
13 of Health and Human Services may waive the application  
14 of section 2617(d)(4) of the Public Health Service Act for  
15 Louisiana, Mississippi, Alabama, and Texas.

16 (b) The Secretary may not exercise the waiver au-  
17 thority available under subsection (a) to allow a grantee  
18 to provide less than a 25 percent matching grant.

19 (c) For grant years beginning in 2008, Louisiana,  
20 Mississippi, Alabama, and Texas and any eligible metro-  
21 politan area in Louisiana, Mississippi, Alabama, and  
22 Texas shall comply with each of the applicable require-  
23 ments under title XXVI of the Public Health Service Act  
24 (42 U.S.C. 300ff–11 et seq.).

1                                   **CHAPTER 8**  
2                   DEPARTMENT OF TRANSPORTATION  
3                   FEDERAL HIGHWAY ADMINISTRATION  
4                   FEDERAL-AID HIGHWAYS  
5                   EMERGENCY RELIEF PROGRAM  
6                   (INCLUDING RESCISSION OF FUNDS)

7           For an additional amount for the Emergency Relief  
8 Program as authorized under section 125 of title 23,  
9 United States Code, \$871,022,000, to remain available  
10 until expended: *Provided*, That section 125(d)(1) of title  
11 23, United States Code, shall not apply to emergency re-  
12 lief projects that respond to damage caused by the 2005-  
13 2006 winter storms in the State of California: *Provided*  
14 *further*, That of the unobligated balances of funds appor-  
15 tioned to each State under chapter 1 of title 23, United  
16 States Code, \$871,022,000 are rescinded: *Provided fur-*  
17 *ther*, That such rescission shall not apply to the funds dis-  
18 tributed in accordance with sections 130(f) and 104(b)(5)  
19 of title 23, United States Code; sections 133(d)(1) and  
20 163 of such title, as in effect on the day before the date  
21 of enactment of Public Law 109-59; and the first sentence  
22 of section 133(d)(3)(A) of such title.

23                   FEDERAL TRANSIT ADMINISTRATION  
24                   FORMULA GRANTS

25           For an additional amount to be allocated by the Sec-  
26 retary to recipients of assistance under chapter 53 of title

1 49, United States Code, directly affected by Hurricanes  
2 Katrina and Rita, \$35,000,000, for the operating and cap-  
3 ital costs of transit services, to remain available until ex-  
4 pended: *Provided*, That the Federal share for any project  
5 funded from this amount shall be 100 percent.

6 DEPARTMENT OF HOUSING AND URBAN  
7 DEVELOPMENT

8 OFFICE OF INSPECTOR GENERAL

9 For an additional amount for the Office of Inspector  
10 General, for the necessary costs related to the con-  
11 sequences of Hurricanes Katrina and Rita, \$7,000,000,  
12 to remain available until expended.

13 GENERAL PROVISIONS—THIS CHAPTER

14 SEC. 4801. The third proviso under the heading “De-  
15 partment of Housing and Urban Development—Public  
16 and Indian Housing—Tenant-Based Rental Assistance”  
17 in chapter 9 of title I of division B of Public Law 109–  
18 148 (119 Stat. 2779) is amended by striking “for up to  
19 18 months” and inserting “until December 31, 2007”.

20 SEC. 4802. Section 21033 of the Continuing Appro-  
21 priations Resolution, 2007 (division B of Public Law 109–  
22 289, as amended by Public Law 110–5) is amended by  
23 adding after the third proviso: “: *Provided further*, That  
24 notwithstanding the previous proviso, except for applying  
25 the 2007 Annual Adjustment Factor and making any

1 other specified adjustments, public housing agencies speci-  
2 fied in category 1 below shall receive funding for calendar  
3 year 2007 based on the higher of the amounts the agencies  
4 would receive under the previous proviso or the amounts  
5 the agencies received in calendar year 2006, and public  
6 housing agencies specified in categories 2 and 3 below  
7 shall receive funding for calendar year 2007 equal to the  
8 amounts the agencies received in calendar year 2006, ex-  
9 cept that public housing agencies specified in categories  
10 1 and 2 below shall receive funding under this proviso only  
11 if, and to the extent that, any such public housing agency  
12 submits a plan, approved by the Secretary, that dem-  
13 onstrates that the agency can effectively use within 12  
14 months the funding that the agency would receive under  
15 this proviso that is in addition to the funding that the  
16 agency would receive under the previous proviso: (1) public  
17 housing agencies that are eligible for assistance under sec-  
18 tion 901 in Public Law 109-148 (119 Stat. 2781) or are  
19 located in the same counties as those eligible under section  
20 901 and operate voucher programs under section 8(o) of  
21 the United States Housing Act of 1937 but do not operate  
22 public housing under section 9 of such Act, and any public  
23 housing agency that otherwise qualifies under this cat-  
24 egory must demonstrate that they have experienced a loss  
25 of rental housing stock as a result of the 2005 hurricanes;

1 (2) public housing agencies that would receive less funding  
2 under the previous proviso than they would receive under  
3 this proviso and that have been placed in receivership or  
4 the Secretary has declared to be in breach of an Annual  
5 Contributions Contract by June 1, 2007; and (3) public  
6 housing agencies that spent more in calendar year 2006  
7 than the total of the amounts of any such public housing  
8 agency's allocation amount for calendar year 2006 and the  
9 amount of any such public housing agency's available  
10 housing assistance payments undesignated funds balance  
11 from calendar year 2005 and the amount of any such pub-  
12 lic housing agency's available administrative fees undesign-  
13 nated funds balance through calendar year 2006".

14 SEC. 4803. Section 901 of Public Law 109-148 is  
15 amended by deleting "calendar year 2006" and inserting  
16 "calendar years 2006 and 2007".

## 17 **CHAPTER 9**

### 18 **DEPARTMENT OF VETERANS AFFAIRS**

#### 19 **DEPARTMENTAL ADMINISTRATION**

#### 20 **CONSTRUCTION, MINOR PROJECTS**

#### 21 **(INCLUDING RESCISSION OF FUNDS)**

22 For an additional amount for Department of Vet-  
23 erans Affairs, "Construction, Minor Projects",  
24 \$14,484,754, to remain available until September 30,  
25 2008, for necessary expenses related to the consequences



1 of Hurricane Katrina and other hurricanes of the 2005  
2 season.

3 Of the funds available until September 30, 2007, for  
4 the "Construction, Minor Projects" account of the De-  
5 partment of Veterans Affairs, pursuant to section 2702  
6 of Public Law 109-234, \$14,484,754 are hereby re-  
7 scinded.

8 **TITLE V—OTHER EMERGENCY**  
9 **APPROPRIATIONS**

10 **CHAPTER 1**

11 **DEPARTMENT OF AGRICULTURE**

12 **GENERAL PROVISION—THIS CHAPTER**

13 SEC. 5101. In addition to any other available funds,  
14 there is hereby appropriated \$40,000,000 to the Secretary  
15 of Agriculture, to remain available until expended, for pro-  
16 grams and activities of the Department of Agriculture, as  
17 determined by the Secretary, to provide recovery assist-  
18 ance in response to damage in conjunction with the Presi-  
19 dential declaration of a major disaster (FEMA-1699-DR)  
20 dated May 6, 2007, for needs not met by the Federal  
21 Emergency Management Agency or private insurers: *Pro-*  
22 *vided*, That, in addition, the Secretary may use funds pro-  
23 vided under this section, consistent with the provisions of  
24 this section, to respond to any other Presidential declara-  
25 tion of a major disaster issued under the authority of the

1 Robert T. Stafford Disaster Relief and Emergency Assist-  
2 ance Act, 42 U.S.C. 5121–5206 (the Stafford Act), de-  
3 clared during fiscal year 2007 for events occurring before  
4 the date of the enactment of this Act or a Secretary of  
5 Agriculture declaration of a natural disaster, declared dur-  
6 ing fiscal year 2007 for events occurring before the date  
7 of the enactment of this Act.

## 8 **CHAPTER 2**

### 9 **DEPARTMENT OF COMMERCE**

#### 10 **NATIONAL OCEANIC AND ATMOSPHERIC**

#### 11 **ADMINISTRATION**

#### 12 **OPERATIONS, RESEARCH, AND FACILITIES**

13 For an additional amount for “Operations, Research,  
14 and Facilities”, \$60,400,000, to remain available until  
15 September 30, 2008: *Provided*, That the National Marine  
16 Fisheries Service shall cause such amounts to be distrib-  
17 uted among eligible recipients of assistance for the com-  
18 mercial fishery failure designated under section 312(a) of  
19 the Magnuson-Stevens Fishery Conservation and Manage-  
20 ment Act (16 U.S.C. 1861a(a)) and declared by the Sec-  
21 retary of Commerce on August 10, 2006.

1                   **CHAPTER 3**  
2                   DEPARTMENT OF DEFENSE—CIVIL  
3                   DEPARTMENT OF THE ARMY  
4                   CORPS OF ENGINEERS—CIVIL  
5                   INVESTIGATIONS

6           For an additional amount for “Investigations” for  
7 flood damage reduction studies to address flooding associ-  
8 ated with disasters covered by Presidential Disaster Dec-  
9 laration FEMA-1692-DR, \$8,165,000, to remain avail-  
10 able until expended.

11                   CONSTRUCTION

12           For an additional amount for “Construction” for  
13 flood damage reduction activities associated with disasters  
14 covered by Presidential Disaster Declarations FEMA-  
15 1692-DR and FEMA-1694-DR, \$11,200,000, to remain  
16 available until expended.

17                   OPERATION AND MAINTENANCE

18           For an additional amount for “Operation and Main-  
19 tenance” to dredge navigation channels related to the con-  
20 sequences of hurricanes of the 2005 season, \$3,000,000,  
21 to remain available until expended.

22                   FLOOD CONTROL AND COASTAL EMERGENCIES

23           For an additional amount for “Flood Control and  
24 Coastal Emergencies”, as authorized by section 5 of the  
25 Act of August 18, 1941 (33 U.S.C. 701n), to support  
26 emergency operations, repairs and other activities in re-

1 sponse to flood, drought and earthquake emergencies as  
2 authorized by law, \$153,300,000, to remain available until  
3 expended: *Provided*, That the Chief of Engineers, acting  
4 through the Assistant Secretary of the Army for Civil  
5 Works, shall provide a monthly report to the House and  
6 Senate Committees on Appropriations detailing the alloca-  
7 tion and obligation of these funds, beginning not later  
8 than 60 days after enactment of this Act: *Provided further*,  
9 That of the funds provided under this heading,  
10 \$7,000,000 shall be available for drought emergency as-  
11 sistance.

12 DEPARTMENT OF THE INTERIOR

13 BUREAU OF RECLAMATION

14 WATER AND RELATED RESOURCES

15 For an additional amount for "Water and Related  
16 Resources", \$18,000,000, to remain available until ex-  
17 pended for drought assistance: *Provided*, That drought as-  
18 sistance may be provided under the Reclamation States  
19 Drought Emergency Act or other applicable Reclamation  
20 authorities to assist drought plagued areas of the West.

1                                   **CHAPTER 4**  
2                   DEPARTMENT OF THE INTERIOR  
3                   BUREAU OF LAND MANAGEMENT  
4                   WILDLAND FIRE MANAGEMENT  
5                   (INCLUDING TRANSFER OF FUNDS)

6       For an additional amount for “Wildland Fire Man-  
7 agement”, \$95,000,000, to remain available until ex-  
8 pended, for urgent wildland fire suppression activities:  
9 *Provided*, That such funds shall only become available if  
10 funds previously provided for wildland fire suppression will  
11 be exhausted imminently and the Secretary of the Interior  
12 notifies the House and Senate Committees on Appropria-  
13 tions in writing of the need for these additional funds: *Pro-*  
14 *vided further*, That such funds are also available for repay-  
15 ment to other appropriations accounts from which funds  
16 were transferred for wildfire suppression.

17       UNITED STATES FISH AND WILDLIFE SERVICE  
18                   RESOURCE MANAGEMENT

19       For an additional amount for “Resource Manage-  
20 ment” for the detection of highly pathogenic avian influ-  
21 enza in wild birds, including the investigation of morbidity  
22 and mortality events, targeted surveillance in live wild  
23 birds, and targeted surveillance in hunter-taken birds,  
24 \$7,398,000, to remain available until September 30, 2008.

1 NATIONAL PARK SERVICE

2 OPERATION OF THE NATIONAL PARK SYSTEM

3 For an additional amount for "Operation of the Na-  
4 tional Park System" for the detection of highly pathogenic  
5 avian influenza in wild birds, including the investigation  
6 of morbidity and mortality events, \$525,000, to remain  
7 available until September 30, 2008.

8 UNITED STATES GEOLOGICAL SURVEY

9 SURVEYS, INVESTIGATIONS, AND RESEARCH

10 For an additional amount for "Surveys, Investiga-  
11 tions, and Research" for the detection of highly patho-  
12 genic avian influenza in wild birds, including the investiga-  
13 tion of morbidity and mortality events, targeted surveil-  
14 lance in live wild birds, and targeted surveillance in  
15 hunter-taken birds, \$5,270,000, to remain available until  
16 September 30, 2008.

17 DEPARTMENT OF AGRICULTURE

18 FOREST SERVICE

19 NATIONAL FOREST SYSTEM

20 For an additional amount for "National Forest Sys-  
21 tem" for the implementation of a nationwide initiative to  
22 increase protection of national forest lands from drug-traf-  
23 ficking organizations, including funding for additional law  
24 enforcement personnel, training, equipment and coopera-

1 tive agreements, \$12,000,000, to remain available until  
2 expended.

3 WILDLAND FIRE MANAGEMENT  
4 (INCLUDING TRANSFER OF FUNDS)

5 For an additional amount for “Wildland Fire Man-  
6 agement”, \$370,000,000, to remain available until ex-  
7 pended, for urgent wildland fire suppression activities:  
8 *Provided*, That such funds shall only become available if  
9 funds provided previously for wildland fire suppression will  
10 be exhausted imminently and the Secretary of Agriculture  
11 notifies the House and Senate Committees on Appropria-  
12 tions in writing of the need for these additional funds: *Pro-*  
13 *vided further*, That such funds are also available for repay-  
14 ment to other appropriation accounts from which funds  
15 were transferred for wildfire suppression.

16 GENERAL PROVISION—THIS CHAPTER

17 SEC. 5401. (a) For fiscal year 2007, payments shall  
18 be made from any revenues, fees, penalties, or miscella-  
19 neous receipts described in sections 102(b)(3) and  
20 103(b)(2) of the Secure Rural Schools and Community  
21 Self-Determination Act of 2000 (Public Law 106–393; 16  
22 U.S.C. 500 note), not to exceed \$100,000,000, and the  
23 payments shall be made, to the maximum extent prac-  
24 ticable, in the same amounts, for the same purposes, and

1 in the same manner as were made to States and counties  
2 in 2006 under that Act.

3 (b) There is appropriated \$425,000,000, to remain  
4 available until December 31, 2007, to be used to cover  
5 any shortfall for payments made under this section from  
6 funds not otherwise appropriated.

7 (c) Titles II and III of Public Law 106-393 are  
8 amended, effective September 30, 2006, by striking  
9 "2006" and "2007" each place they appear and inserting  
10 "2007" and "2008", respectively.

## 11 **CHAPTER 5**

### 12 **DEPARTMENT OF HEALTH AND HUMAN**

### 13 **SERVICES**

### 14 **CENTERS FOR DISEASE CONTROL AND PREVENTION**

### 15 **DISEASE CONTROL, RESEARCH AND TRAINING**

16 For an additional amount for "Department of Health  
17 and Human Services, Centers for Disease Control and  
18 Prevention, Disease Control, Research and Training", to  
19 carry out section 501 of the Federal Mine Safety and  
20 Health Act of 1977 and section 6 of the Mine Improve-  
21 ment and New Emergency Response Act of 2006,  
22 \$13,000,000 for research to develop mine safety tech-  
23 nology, including necessary repairs and improvements to  
24 leased laboratories: *Provided*, That progress reports on  
25 technology development shall be submitted to the House



1 and Senate Committees on Appropriations and the Com-  
2 mittee on Health, Education, Labor and Pensions of the  
3 Senate and the Committee on Education and Labor of the  
4 House of Representatives on a quarterly basis: *Provided*  
5 *further*, That the amount provided under this heading  
6 shall remain available until September 30, 2008.

7 For an additional amount for “Department of Health  
8 and Human Services, Centers for Disease Control and  
9 Prevention, Disease Control, Research and Training”, to  
10 carry out activities under section 5011(b) of the Emer-  
11 gency Supplemental Appropriations Act to Address Hurri-  
12 canes in the Gulf of Mexico and Pandemic Influenza, 2006  
13 (Public Law 109–148), \$50,000,000, to remain available  
14 until expended.

15 GENERAL PROVISIONS—THIS CHAPTER

16 (INCLUDING RESCISSIONS)

17 SEC. 5501. (a). From unexpended balances available  
18 for the Training and Employment Services account under  
19 the Department of Labor, the following amounts are here-  
20 by rescinded—

21 (1) \$3,589,000 transferred pursuant to the  
22 2001 Emergency Supplemental Appropriations Act  
23 for Recovery from and Response to Terrorist At-  
24 tacks on the United States (Public Law 107–38);

1           (2) \$834,000 transferred pursuant to the  
2       Emergency Supplemental Appropriations Act of  
3       1994 (Public Law 103-211); and

4           (3) \$71,000 for the Consortium for Worker  
5       Education pursuant to the Emergency Supplemental  
6       Act, 2002 (Public Law 107-117).

7       (b) From unexpended balances available for the State  
8       Unemployment Insurance and Employment Service Oper-  
9       ations account under the Department of Labor pursuant  
10      to the Emergency Supplemental Act, 2002 (Public Law  
11      107-117), \$4,100,000 are hereby rescinded.

12       SEC. 5502. (a) For an additional amount under “De-  
13      partment of Education, Safe Schools and Citizenship Edu-  
14      cation”, \$8,594,000 shall be available for Safe and Drug-  
15      Free Schools National Programs for competitive grants to  
16      local educational agencies to address youth violence and  
17      related issues.

18       (b) The competition under subsection (a) shall be lim-  
19      ited to local educational agencies that operate schools cur-  
20      rently identified as persistently dangerous under section  
21      9532 of the Elementary and Secondary Education Act of  
22      1965.

23       SEC. 5503. Unobligated balances from funds appro-  
24      priated in the Department of Defense and Emergency  
25      Supplemental Appropriations for Recovery from and Re-

1 sponse to Terrorist Attacks on the United States Act,  
2 2002 (Public Law 107–117) to the Department of Health  
3 and Human Services under the heading “Public Health  
4 and Social Services Emergency Fund” that are available  
5 for bioterrorism preparedness and disaster response activi-  
6 ties in the Office of the Secretary shall also be available  
7 for the construction, renovation and improvement of facili-  
8 ties on federally-owned land as necessary for continuity  
9 of operations activities.

10 **CHAPTER 6**  
11 **LEGISLATIVE BRANCH**  
12 **CAPITOL POLICE**  
13 **GENERAL EXPENSES**

14 For an additional amount for “Capitol Police, Gen-  
15 eral Expenses”, \$10,000,000 for a radio modernization  
16 program, to remain available until expended: *Provided*,  
17 That the Chief of the Capitol Police may not obligate any  
18 of the funds appropriated under this heading without ap-  
19 proval of an obligation plan by the Committees on Appro-  
20 priations of the Senate and the House of Representatives.

21 **ARCHITECT OF THE CAPITOL**  
22 **CAPITOL POWER PLANT**

23 For an additional amount for “Capitol Power Plant”,  
24 \$50,000,000, for utility tunnel repairs and asbestos abate-  
25 ment, to remain available until September 30, 2011: *Pro-*

1 *vided*, That the Architect of the Capitol may not obligate  
2 any of the funds appropriated under this heading without  
3 approval of an obligation plan by the Committees on Ap-  
4 propriations of the Senate and House of Representatives.

## 5 **CHAPTER 7**

### 6 **DEPARTMENT OF VETERANS AFFAIRS**

#### 7 **VETERANS HEALTH ADMINISTRATION**

#### 8 **MEDICAL SERVICES**

9 For an additional amount for "Medical Services",  
10 \$466,778,000, to remain available until expended, of  
11 which \$30,000,000 shall be for the establishment of at  
12 least one new Level I comprehensive polytrauma center;  
13 \$9,440,000 shall be for the establishment of polytrauma  
14 residential transitional rehabilitation programs;  
15 \$10,000,000 shall be for additional transition case-  
16 workers; \$20,000,000 shall be for substance abuse treat-  
17 ment programs; \$20,000,000 shall be for readjustment  
18 counseling; \$10,000,000 shall be for blind rehabilitation  
19 services; \$100,000,000 shall be for enhancements to men-  
20 tal health services; \$8,000,000 shall be for polytrauma  
21 support clinic teams; \$5,356,000 shall be for additional  
22 polytrauma points of contact; \$228,982,000 shall be for  
23 treatment of Operation Enduring Freedom and Operation  
24 Iraqi Freedom veterans; and \$25,000,000 shall be for  
25 prosthetics.

## 1 MEDICAL ADMINISTRATION

2 For an additional amount for "Medical Administra-  
3 tion", \$250,000,000, to remain available until expended.

## 4 MEDICAL FACILITIES

5 For an additional amount for "Medical Facilities",  
6 \$595,000,000, to remain available until expended, of  
7 which \$45,000,000 shall be used for facility and equip-  
8 ment upgrades at the Department of Veterans Affairs  
9 polytrauma network sites; and \$550,000,000 shall be for  
10 non-recurring maintenance as identified in the Depart-  
11 ment of Veterans Affairs Facility Condition Assessment  
12 report: *Provided*, That the amount provided under this  
13 heading for non-recurring maintenance shall be allocated  
14 in a manner not subject to the Veterans Equitable Re-  
15 source Allocation: *Provided further*, That within 30 days  
16 of enactment of this Act the Secretary shall submit to the  
17 Committees on Appropriations of both Houses of Congress  
18 an expenditure plan, by project, for non-recurring mainte-  
19 nance prior to obligation: *Provided further*, That semi-an-  
20 nually, on October 1 and April 1, the Secretary shall sub-  
21 mit to the Committees on Appropriations of both Houses  
22 of Congress a report on the status of funding for non-  
23 recurring maintenance, including obligations and unobli-  
24 gated balances for each project identified in the expendi-  
25 ture plan.

1 MEDICAL AND PROSTHETIC RESEARCH

2 For an additional amount for "Medical and Pros-  
3 thetic Research", \$32,500,000, to remain available until  
4 expended, which shall be used for research related to the  
5 unique medical needs of returning Operation Enduring  
6 Freedom and Operation Iraqi Freedom veterans.

7 DEPARTMENTAL ADMINISTRATION

8 GENERAL OPERATING EXPENSES

9 (INCLUDING TRANSFER OF FUNDS)

10 For an additional amount for "General Operating  
11 Expenses", \$83,200,000, to remain available until ex-  
12 pended, of which \$1,250,000 shall be for digitization of  
13 military records; \$60,750,000 shall be for expenses related  
14 to hiring and training new claims processing personnel;  
15 up to \$1,200,000 shall be for an independent study of the  
16 organizational structure, management and coordination  
17 processes, including seamless transition, utilized by the  
18 Department of Veterans Affairs to provide health care and  
19 benefits to active duty personnel and veterans, including  
20 those returning Operation Enduring Freedom and Oper-  
21 ation Iraqi Freedom veterans; and \$20,000,000 shall be  
22 for disability examinations: *Provided*, That not to exceed  
23 \$1,250,000 of the amount appropriated under this head-  
24 ing may be transferred to the Department of Defense for  
25 the digitization of military records used to verify stressors  
26 for benefits claims.

1 INFORMATION TECHNOLOGY SYSTEMS

2 For an additional amount for “Information Tech-  
3 nology Systems”, \$35,100,000, to remain available until  
4 expended, of which \$20,000,000 shall be for information  
5 technology support and improvements for processing of  
6 Operation Enduring Freedom and Operation Iraqi Free-  
7 dom veterans benefits claims, including making electronic  
8 Department of Defense medical records available for  
9 claims processing and enabling electronic benefits applica-  
10 tions by veterans; and \$15,100,000 shall be for electronic  
11 data breach remediation and prevention.

12 CONSTRUCTION, MINOR PROJECTS

13 For an additional amount for “Construction, Minor  
14 Projects”, \$326,000,000, to remain available until ex-  
15 pended, of which up to \$36,000,000 shall be for construc-  
16 tion costs associated with the establishment of polytrauma  
17 residential transitional rehabilitation programs.

18 GENERAL PROVISIONS—THIS CHAPTER

19 SEC. 5701. The Director of the Congressional Budget  
20 Office shall, not later than November 15, 2007, submit  
21 to the Committees on Appropriations of the House of Rep-  
22 resentatives and the Senate a report projecting appropria-  
23 tions necessary for the Departments of Defense and Vet-  
24 erans Affairs to continue providing necessary health care  
25 to veterans of the conflicts in Iraq and Afghanistan. The  
26 projections should span several scenarios for the duration

1 and number of forces deployed in Iraq and Afghanistan,  
2 and more generally, for the long-term health care needs  
3 of deployed troops engaged in the global war on terrorism  
4 over the next ten years.

5 SEC. 5702. Notwithstanding any other provision of  
6 law, appropriations made by Public Law 110-5, which the  
7 Secretary of Veterans Affairs contributes to the Depart-  
8 ment of Defense/Department of Veterans Affairs Health  
9 Care Sharing Incentive Fund under the authority of sec-  
10 tion 8111(d) of title 38, United States Code, shall remain  
11 available until expended for any purpose authorized by  
12 section 8111 of title 38, United States Code.

13 SEC. 5703. (a)(1) The Secretary of Veterans Affairs  
14 (referred to in this section as the "Secretary") may convey  
15 to the State of Texas, without consideration, all rights,  
16 title, and interest of the United States in and to the parcel  
17 of real property comprising the location of the Marlin,  
18 Texas, Department of Veterans Affairs Medical Center.

19 (2) The property conveyed under paragraph (1) shall  
20 be used by the State of Texas for the purposes of a prison.

21 (b) In carrying out the conveyance under subsection  
22 (a), the Secretary shall conduct environmental cleanup on  
23 the parcel to be conveyed, at a cost not to exceed  
24 \$500,000, using amounts made available for environ-



1 mental cleanup of sites under the jurisdiction of the Sec-  
2 retary.

3 (c) Nothing in this section may be construed to affect  
4 or limit the application of or obligation to comply with  
5 any environmental law, including section 120(h) of the  
6 Comprehensive Environmental Response, Compensation,  
7 and Liability Act of 1980 (42 U.S.C. 9620(h)).

8 SEC. 5704. (a) Funds provided in this Act for the  
9 following accounts shall be made available for programs  
10 under the conditions contained in the language of the joint  
11 explanatory statement of managers accompanying the con-  
12 ference report on H.R. 1591 of the 110th Congress (H.  
13 Rept. 110-107):

14 "Medical Services".

15 "Medical Administration".

16 "Medical Facilities".

17 "Medical and Prosthetic Research".

18 "General Operating Expenses".

19 "Information Technology Systems".

20 "Construction, Minor Projects".

21 (b) The Secretary of Veterans Affairs shall submit  
22 all reports requested in House Report 110-60 and Senate  
23 Report 110-37, to the Committees on Appropriations of  
24 both Houses of Congress.

1 SEC. 5705. Subsection (d) of section 2023 of title 38,  
2 United States Code, is amended by striking “shall cease”  
3 and all that follows through “program” and inserting  
4 “shall cease on September 30, 2007”.

5 **TITLE VI—OTHER MATTERS**

6 **CHAPTER 1**

7 **DEPARTMENT OF AGRICULTURE**

8 **FARM SERVICE AGENCY**

9 **SALARIES AND EXPENSES**

10 For an additional amount for “Salaries and Ex-  
11 penses” of the Farm Service Agency, \$37,500,000, to re-  
12 main available until September 30, 2008: *Provided*, That  
13 this amount shall only be available for network and data-  
14 base/application stabilization.

15 **GENERAL PROVISIONS—THIS CHAPTER**

16 SEC. 6101. Of the funds made available through ap-  
17 propriations to the Food and Drug Administration for fis-  
18 cal year 2007, not less than \$4,000,000 shall be for the  
19 Office of Women’s Health of such Administration.

20 SEC. 6102. None of the funds made available to the  
21 Department of Agriculture for fiscal year 2007 may be  
22 used to implement the risk-based inspection program in  
23 the 30 prototype locations announced on February 22,  
24 2007, by the Under Secretary for Food Safety, or at any  
25 other locations, until the USDA Office of Inspector Gen-

1 eral has provided its findings to the Food Safety and In-  
2 spection Service and the Committees on Appropriations of  
3 the House of Representatives and the Senate on the data  
4 used in support of the development and design of the risk-  
5 based inspection program and FSIS has addressed and  
6 resolved issues identified by OIG.

7 **CHAPTER 2**

8 **GENERAL PROVISIONS—THIS CHAPTER**

9 SEC. 6201. Hereafter, federal employees at the Na-  
10 tional Energy Technology Laboratory shall be classified  
11 as inherently governmental for the purpose of the Federal  
12 Activities Inventory Reform Act of 1998 (31 U.S.C. 501  
13 note).

14 SEC. 6202. None of the funds made available under  
15 this or any other Act shall be used during fiscal year 2007  
16 to make, or plan or prepare to make, any payment on  
17 bonds issued by the Administrator of the Bonneville Power  
18 Administration (referred in this section as the “Adminis-  
19 trator”) or for an appropriated Federal Columbia River  
20 Power System investment, if the payment is both—

21 (1) greater, during any fiscal year, than the  
22 payments calculated in the rate hearing of the Ad-  
23 ministrator to be made during that fiscal year using  
24 the repayment method used to establish the rates of

1 the Administrator as in effect on October 1, 2006;  
2 and  
3 (2) based or conditioned on the actual or ex-  
4 pected net secondary power sales receipts of the Ad-  
5 ministrator.

### 6 CHAPTER 3

#### 7 GENERAL PROVISIONS—THIS CHAPTER

8 SEC. 6301. (a) Section 102(a)(3)(B) of the Help  
9 America Vote Act of 2002 (42 U.S.C. 15302(a)(3)(B)) is  
10 amended by striking “January 1, 2006” and inserting  
11 “March 1, 2008”.

12 (b) The amendment made by subsection (a) shall take  
13 effect as if included in the enactment of the Help America  
14 Vote Act of 2002.

15 SEC. 6302. The structure of any of the offices or  
16 components within the Office of National Drug Control  
17 Policy shall remain as they were on October 1, 2006. None  
18 of the funds appropriated or otherwise made available in  
19 the Continuing Appropriations Resolution, 2007 (Public  
20 Law 110–5) may be used to implement a reorganization  
21 of offices within the Office of National Drug Control Pol-  
22 icy without the explicit approval of the Committees on Ap-  
23 propriations of the House of Representatives and the Sen-  
24 ate.

1        SEC. 6303. From the amount provided by section  
2 21067 of the Continuing Appropriations Resolution, 2007  
3 (Public Law 110-5), the National Archives and Records  
4 Administration may obligate monies necessary to carry out  
5 the activities of the Public Interest Declassification Board.

6        SEC. 6304. Notwithstanding the notice requirement  
7 of the Transportation, Treasury, Housing and Urban De-  
8 velopment, the Judiciary, the District of Columbia, and  
9 Independent Agencies Appropriations Act, 2006, 119  
10 Stat. 2509 (Public Law 109-115), as continued in section  
11 104 of the Continuing Appropriations Resolution, 2007  
12 (Public Law 110-5), the District of Columbia Courts may  
13 reallocate not more than \$1,000,000 of the funds provided  
14 for fiscal year 2007 under the Federal Payment to the  
15 District of Columbia Courts for facilities among the items  
16 and entities funded under that heading for operations.

17        SEC. 6305. (a) Not later than 90 days after the date  
18 of enactment of this Act, the Secretary of the Treasury,  
19 in coordination with the Securities and Exchange Commis-  
20 sion and in consultation with the Departments of State  
21 and Energy, shall prepare and submit to the Senate Com-  
22 mittee on Appropriations, the House Committee on Appro-  
23 priations, the Senate Committee on Banking, Housing,  
24 and Urban Affairs, the House Committee on Financial  
25 Services, the Senate Foreign Relations Committee, and

1 the House Foreign Affairs Committee a written report,  
2 which may include a classified annex, containing the  
3 names of companies which either directly or through a  
4 parent or subsidiary company, including partly-owned sub-  
5 sidiaries, are known to conduct significant business oper-  
6 ations in Sudan relating to natural resource extraction,  
7 including oil-related activities and mining of minerals. The  
8 reporting provision shall not apply to companies operating  
9 under licenses from the Office of Foreign Assets Control  
10 or otherwise expressly exempted under United States law  
11 from having to obtain such licenses in order to operate  
12 in Sudan.

13 (b) Not later than 45 days following the submission  
14 to Congress of the list of companies conducting business  
15 operations in Sudan relating to natural resource extrac-  
16 tion as required above, the General Services Administra-  
17 tion shall determine whether the United States Govern-  
18 ment has an active contract for the procurement of goods  
19 or services with any of the identified companies, and pro-  
20 vide notification to the appropriate committees of Con-  
21 gress, which may include a classified annex, regarding the  
22 companies, nature of the contract, and dollar amounts in-  
23 volved.

24 (INCLUDING RESCISSION)

25 SEC. 6306. (a) Of the funds provided for the General  
26 Services Administration, "Office of Inspector General" in

1 section 21061 of the Continuing Appropriations Resolu-  
2 tion, 2007 (division B of Public Law 109-289, as amend-  
3 ed by Public Law 110-5), \$4,500,000 are rescinded.

4 (b) For an additional amount for the General Serv-  
5 ices Administration, "Office of Inspector General",  
6 \$4,500,000, to remain available until September 30, 2008.

7 (c) With the additional amount of \$9,336,000 appro-  
8 priated in Public Law 110-5 and in this Act, above the  
9 amount appropriated in Public Law 109-115, of which  
10 \$4,500,000 remains available for obligation in fiscal year  
11 2008, the Office of Inspector General shall hire additional  
12 staff for internal audits and investigations, and the re-  
13 maining funds shall be for one-time associated needs such  
14 as information technology and other such administrative  
15 support.

16 SEC. 6307. Section 21073 of the Continuing Appro-  
17 priations Resolution, 2007 (Public Law 110-5) is amend-  
18 ed by adding a new subsection (j) as follows:

19 "(j) Notwithstanding section 101, any appropriation  
20 or funds made available to the District of Columbia pursu-  
21 ant to this Act for 'Federal Payment for Foster Care Im-  
22 provement in the District of Columbia' shall be available  
23 in accordance with an expenditure plan submitted by the  
24 Mayor of the District of Columbia not later than 60 days

1 after the enactment of this section which details the activi-  
2 ties to be carried out with such Federal Payment.”.

3 SEC. 6308. It is the sense of Congress that the Small  
4 Business Administration will provide, through funds avail-  
5 able within amounts already appropriated for Small Busi-  
6 ness Administration disaster assistance, physical and eco-  
7 nomic injury disaster loans to Kansas businesses and  
8 homeowners devastated by the severe tornadoes, storms,  
9 and flooding that occurred beginning on May 4, 2007.

10

#### CHAPTER 4

11

#### DEPARTMENT OF HOMELAND SECURITY

12

#### GENERAL PROVISIONS—THIS CHAPTER

13

14 SEC. 6401. Not to exceed \$30,000,000 from unobli-  
15 gated balances remaining from prior appropriations for  
16 United States Coast Guard, “Retired Pay”, shall remain  
17 available until expended in the account and for the pur-  
18 poses for which the appropriations were provided, includ-  
19 ing the payment of obligations otherwise chargeable to  
20 lapsed or current appropriations for this purpose: *Pro-*  
21 *vided*, That within 45 days after the date of enactment  
22 of this Act, the United States Coast Guard shall submit  
23 to the Committees on Appropriations of the Senate and  
24 the House of Representatives the following: (1) a report  
25 on steps being taken to improve the accuracy of its esti-  
mates for the “Retired Pay” appropriation, and (2) quar-



1 terly reports on the use of unobligated balances made  
2 available by this Act to address the projected shortfall in  
3 the “Retired Pay” appropriation, as well as updated esti-  
4 mates for fiscal year 2008.

5 SEC. 6402. (a) IN GENERAL.—Any contract, sub-  
6 contract, task or delivery order described in subsection (b)  
7 shall contain the following:

8 (1) A requirement for a technical review of all  
9 designs, design changes, and engineering change  
10 proposals, and a requirement to specifically address  
11 all engineering concerns identified in the review be-  
12 fore the obligation of further funds may occur.

13 (2) A requirement that the Coast Guard main-  
14 tain technical warrant holder authority, or the equiv-  
15 alent, for major assets.

16 (3) A requirement that no procurement subject  
17 to subsection (b) for lead asset production or the im-  
18 plementation of a major design change shall be en-  
19 tered into unless an independent third party with no  
20 financial interest in the development, construction,  
21 or modification of any component of the asset, se-  
22 lected by the Commandant, determines that such ac-  
23 tion is advisable.

1           (4) A requirement for independent life-cycle  
2 cost estimates of lead assets and major design and  
3 engineering changes.

4           (5) A requirement for the measurement of con-  
5 tractor and subcontractor performance based on the  
6 status of all work performed. For contracts under  
7 the Integrated Deepwater Systems program, such  
8 requirement shall include a provision that links  
9 award fees to successful acquisition outcomes (which  
10 shall be defined in terms of cost, schedule, and per-  
11 formance).

12          (6) A requirement that the Commandant of the  
13 Coast Guard assign an appropriate officer or em-  
14 ployee of the Coast Guard to act as chair of each in-  
15 tegrated product team and higher-level team as-  
16 signed to the oversight of each integrated product  
17 team.

18          (7) A requirement that the Commandant of the  
19 Coast Guard may not award or issue any contract,  
20 task or delivery order, letter contract modification  
21 thereof, or other similar contract, for the acquisition  
22 or modification of an asset under a procurement  
23 subject to subsection (b) unless the Coast Guard and  
24 the contractor concerned have formally agreed to all  
25 terms and conditions or the head of contracting ac-

1       tivity for the Coast Guard determines that a compel-  
2       ling need exists for the award or issue of such in-  
3       strument.

4       (b) CONTRACTS, SUBCONTRACTS, TASK AND DELIV-  
5       ERY ORDERS COVERED.—Subsection (a) applies to—

6             (1) any major procurement contract, first-tier  
7       subcontract, delivery or task order entered into by  
8       the Coast Guard;

9             (2) any first-tier subcontract entered into under  
10       such a contract; and

11            (3) any task or delivery order issued pursuant  
12       to such a contract or subcontract.

13       (c) EXPENDITURE OF DEEPWATER FUNDS.—Of the  
14       funds available for the Integrated Deepwater Systems pro-  
15       gram, \$650,000,000 may not be obligated until the Com-  
16       mittees on Appropriations of the Senate and the House  
17       of Representatives receive an expenditure plan directly  
18       from the Coast Guard that—

19            (1) defines activities, milestones, yearly costs,  
20       and life-cycle costs for each procurement of a major  
21       asset;

22            (2) identifies life-cycle staffing and training  
23       needs of Coast Guard project managers and of pro-  
24       curement and contract staff;

1           (3) identifies competition to be conducted in  
2 each procurement;

3           (4) describes procurement plans that do not  
4 rely on a single industry entity or contract;

5           (5) contains very limited indefinite delivery/in-  
6 definite quantity contracts and explains the need for  
7 any indefinite delivery/indefinite quantity contracts;

8           (6) complies with all applicable acquisition  
9 rules, requirements, and guidelines, and incorporates  
10 the best systems acquisition management practices  
11 of the Federal Government;

12           (7) complies with the capital planning and in-  
13 vestment control requirements established by the Of-  
14 fice of Management and Budget, including circular  
15 A-11, part 7;

16           (8) includes a certification by the head of con-  
17 tracting activity for the Coast Guard and the Chief  
18 Procurement Officer of the Department of Home-  
19 land Security that the Coast Guard has established  
20 sufficient controls and procedures and has sufficient  
21 staffing to comply with all contracting requirements,  
22 and that any conflicts of interest have been suffi-  
23 ciently addressed;

24           (9) includes a description of the process used to  
25 act upon deviations from the contractually specified

1 performance requirements and clearly explains the  
2 actions taken on such deviations;

3 (10) includes a certification that the Assistant  
4 Commandant of the Coast Guard for Engineering  
5 and Logistics is designated as the technical author-  
6 ity for all engineering, design, and logistics decisions  
7 pertaining to the Integrated Deepwater Systems pro-  
8 gram; and

9 (11) identifies progress in complying with the  
10 requirements of subsection (a).

11 (d) REPORTS.—(1) Not later than 30 days after the  
12 date of enactment of this Act, the Commandant of the  
13 Coast Guard shall submit to the Committees on Appro-  
14 priations of the Senate and the House of Representatives;  
15 the Committee on Commerce, Science and Transportation  
16 of the Senate; and the Committee on Transportation and  
17 Infrastructure of the House of Representatives: (i) a re-  
18 port on the resources (including training, staff, and exper-  
19 tise) required by the Coast Guard to provide appropriate  
20 management and oversight of the Integrated Deepwater  
21 Systems program; and (ii) a report on how the Coast  
22 Guard will utilize full and open competition for any con-  
23 tract that provides for the acquisition or modification of  
24 assets under, or in support of, the Integrated Deepwater

1 Systems program, entered into after the date of enactment  
2 of this Act.

3 (2) Within 30 days following the submission of the  
4 expenditure plan required under subsection (c), the Gov-  
5 ernment Accountability Office shall review the plan and  
6 brief the Committees on Appropriations of the Senate and  
7 the House of Representatives on its findings.

8 SEC. 6403. None of the funds provided in this Act  
9 or any other Act may be used to alter or reduce operations  
10 within the Civil Engineering Program of the Coast Guard  
11 nationwide, including the civil engineering units, facilities,  
12 design and construction centers, maintenance and logistics  
13 command centers, and the Coast Guard Academy, except  
14 as specifically authorized by a statute enacted after the  
15 date of enactment of this Act.

16 (INCLUDING RESCISSIONS OF FUNDS)

17 SEC. 6404. (a) RESCISSIONS.—The following unobli-  
18 gated balances made available pursuant to section 505 of  
19 Public Law 109–90 are rescinded: \$1,200,962 from the  
20 “Office of the Secretary and Executive Management”;  
21 \$512,855 from the “Office of the Under Secretary for  
22 Management”; \$461,874 from the “Office of the Chief In-  
23 formation Officer”; \$45,080 from the “Office of the Chief  
24 Financial Officer”; \$968,211 from Preparedness “Man-  
25 agement and Administration”; \$1,215,486 from Science  
26 and Technology “Management and Administration”;

1 \$450,000 from United States Secret Service “Salaries and  
2 Expenses”; \$450,000 from Federal Emergency Manage-  
3 ment Agency “Administrative and Regional Operations”;  
4 and \$25,595,532 from United States Coast Guard “Oper-  
5 ating Expenses”.

6 (b) ADDITIONAL APPROPRIATIONS.—

7 (1) For an additional amount for United States  
8 Coast Guard “Acquisition, Construction, and Im-  
9 provements”, \$30,000,000, to remain available until  
10 September 30, 2009, to mitigate the Service’s patrol  
11 boat operational gap.

12 (2) For an additional amount for the “Office of  
13 the Under Secretary for Management”, \$900,000  
14 for an independent study to compare the Depart-  
15 ment of Homeland Security senior career and polit-  
16 ical staffing levels and senior career training pro-  
17 grams with those of similarly structured cabinet-level  
18 agencies as detailed in House Report 110–107: *Pro-*  
19 *vided*, That the Department of Homeland Security  
20 shall provide to the Committees on Appropriations of  
21 the Senate and the House of Representatives by  
22 July 20, 2007, a report on senior staffing, as de-  
23 tailed in Senate Report 110–37, and the Govern-  
24 ment Accountability Office shall report on the

1 strengths and weakness of this report within 90 days  
2 after its submission.

3 SEC. 6405. (a) IN GENERAL.—With respect to con-  
4 tracts entered into after July 1, 2007, and except as pro-  
5 vided in subsection (b), no entity performing lead system  
6 integrator functions in the acquisition of a major system  
7 by the Department of Homeland Security may have any  
8 direct financial interest in the development or construction  
9 of any individual system or element of any system of sys-  
10 tems.

11 (b) EXCEPTION.—An entity described in subsection  
12 (a) may have a direct financial interest in the development  
13 or construction of an individual system or element of a  
14 system of systems if—

15 (1) the Secretary of Homeland Security cer-  
16 tifies to the Committees on Appropriations of the  
17 Senate and the House of Representatives, the Com-  
18 mittee on Homeland Security of the House of Rep-  
19 resentatives, the Committee on Transportation and  
20 Infrastructure of the House of Representatives, the  
21 Committee on Homeland Security and Governmental  
22 Affairs of the Senate, and the Committee on Com-  
23 merce, Science and Transportation of the Senate  
24 that—



1 (A) the entity was selected by the Depart-  
2 ment of Homeland Security as a contractor to  
3 develop or construct the system or element con-  
4 cerned through the use of competitive proce-  
5 dures; and

6 (B) the Department took appropriate steps  
7 to prevent any organizational conflict of interest  
8 in the selection process; or

9 (2) the entity was selected by a subcontractor  
10 to serve as a lower-tier subcontractor, through a  
11 process over which the entity exercised no control.

12 (c) CONSTRUCTION.—Nothing in this section shall be  
13 construed to preclude an entity described in subsection (a)  
14 from performing work necessary to integrate two or more  
15 individual systems or elements of a system of systems with  
16 each other.

17 (d) REGULATIONS UPDATE.—Not later than July 1,  
18 2007, the Secretary of Homeland Security shall update  
19 the acquisition regulations of the Department of Home-  
20 land Security in order to specify fully in such regulations  
21 the matters with respect to lead system integrators set  
22 forth in this section. Included in such regulations shall be:  
23 (1) a precise and comprehensive definition of the term  
24 “lead system integrator”, modeled after that used by the  
25 Department of Defense; and (2) a specification of various

1 types of contracts and fee structures that are appropriate  
2 for use by lead system integrators in the production, field-  
3 ing, and sustainment of complex systems.

## 4 **CHAPTER 5**

### 5 **GENERAL PROVISIONS—THIS CHAPTER**

6 **SEC. 6501.** Section 20515 of the Continuing Appro-  
7 priations Resolution, 2007 (division B of Public Law 109–  
8 289, as amended by Public Law 110–5) is amended by  
9 inserting before the period: “; and of which, not to exceed  
10 \$143,628,000 shall be available for contract support costs  
11 under the terms and conditions contained in Public Law  
12 109–54”.

13 **SEC. 6502.** Section 20512 of the Continuing Appro-  
14 priations Resolution, 2007 (division B of Public Law 109–  
15 289, as amended by Public Law 110–5) is amended by  
16 inserting after the first dollar amount: “, of which not to  
17 exceed \$7,300,000 shall be transferred to the ‘Indian  
18 Health Facilities’ account; the amount in the second pro-  
19 viso shall be \$18,000,000; the amount in the third proviso  
20 shall be \$525,099,000; the amount in the ninth proviso  
21 shall be \$269,730,000; and the \$15,000,000 allocation of  
22 funding under the eleventh proviso shall not be required”.

23 **SEC. 6503.** Section 20501 of the Continuing Appro-  
24 priations Resolution, 2007 (division B of Public Law 109–  
25 289, as amended by Public Law 110–5) is amended by

1 inserting after "\$55,663,000" the following: "of which  
2 \$13,000,000 shall be for Save America's Treasures".

3 SEC. 6504. Funds made available to the United  
4 States Fish and Wildlife Service for fiscal year 2007 under  
5 the heading "Land Acquisition" may be used for land con-  
6 servation partnerships authorized by the Highlands Con-  
7 servation Act of 2004.

## 8 CHAPTER 6

### 9 DEPARTMENT OF HEALTH AND HUMAN 10 SERVICES

#### 11 NATIONAL INSTITUTES OF HEALTH

#### 12 NATIONAL INSTITUTE OF ALLERGY AND INFECTIOUS 13 DISEASES

#### 14 (TRANSFER OF FUNDS)

15 Of the amount provided by the Continuing Appro-  
16 priations Resolution, 2007 (division B of Public Law 109-  
17 289, as amended by Public Law 110-5) for "National In-  
18 stitute of Allergy and Infectious Diseases", \$49,500,000  
19 shall be transferred to "Public Health and Social Services  
20 Emergency Fund" to carry out activities relating to ad-  
21 vanced research and development as provided by section  
22 319L of the Public Health Service Act.

#### 23 OFFICE OF THE DIRECTOR

#### 24 (TRANSFER OF FUNDS)

25 Of the amount provided by the Continuing Appro-  
26 priations Resolution, 2007 (division B of Public Law 109-

1 289, as amended by Public Law 110-5) for "Office of the  
2 Director", \$49,500,000 shall be transferred to "Public  
3 Health and Social Services Emergency Fund" to carry out  
4 activities relating to advanced research and development  
5 as provided by section 319L of the Public Health Service  
6 Act.

7 NATIONAL COUNCIL ON DISABILITY

8 SALARIES AND EXPENSES

9 For an additional amount for "Salaries and Ex-  
10 penses", \$300,000, to remain available until expended, for  
11 necessary expenses related to the requirements of the  
12 Post-Katrina Emergency Management Reform Act of  
13 2006, as enacted by the Department of Homeland Secu-  
14 rity Appropriations Act, 2007 (Public Law 109-295).

15 GENERAL PROVISIONS—THIS CHAPTER

16 (INCLUDING TRANSFERS OF FUNDS AND RESCISSIONS)

17 SEC. 6601. Section 20602 of the Continuing Appro-  
18 priations Resolution, 2007 (division B of Public Law 109-  
19 289, as amended by Public Law 110-5) is amended by  
20 inserting the following after "\$5,000,000": "(together  
21 with an additional \$7,000,000 which shall be transferred  
22 by the Pension Benefit Guaranty Corporation as an au-  
23 thorized administrative cost), to remain available through  
24 September 30, 2008,".

25 SEC. 6602. (a) None of the funds available to the  
26 Mine Safety and Health Administration under the Con-

1 tinuing Appropriations Resolution, 2007 (division B of  
2 Public Law 109-289, as amended by Public Law 110-  
3 5) shall be used to enter into or carry out a contract for  
4 the performance by a contractor of any operations or serv-  
5 ices pursuant to the public-private competitions conducted  
6 under Office of Management and Budget Circular A-76.

7 (b) Hereafter, Federal employees at the Mine Safety  
8 and Health Administration shall be classified as inherently  
9 governmental for the purpose of the Federal Activities In-  
10 ventory Reform Act of 1998 (31 U.S.C. 501 note).

11 SEC. 6603. Section 20607 of the Continuing Appro-  
12 priations Resolution, 2007 (division B of Public Law 109-  
13 289, as amended by Public Law 110-5) is amended by  
14 inserting “of which \$9,666,000 shall be for the Women’s  
15 Bureau,” after “for child labor activities,”.

16 SEC. 6604. Of the amount provided for “Department  
17 of Health and Human Services, Health Resources and  
18 Services Administration, Health Resources and Services”  
19 in the Continuing Appropriations Resolution, 2007 (divi-  
20 sion B of Public Law 109-289, as amended by Public Law  
21 110-5), \$23,000,000 shall be for Poison Control Centers.

22 SEC. 6605. From the amounts made available by the  
23 Continuing Appropriations Resolution, 2007 (division B of  
24 Public Law 109-289, as amended by Public Law 110-  
25 5) for the Office of the Secretary, General Departmental

1 Management under the Department of Health and Human  
2 Services, \$500,000 are rescinded.

3 SEC. 6606. Section 20625(b)(1) of the Continuing  
4 Appropriations Resolution, 2007 (division B of Public  
5 Law 109-289, as amended by Public Law 110-5) is  
6 amended by—

7 (1) striking “\$7,172,994,000” and inserting  
8 “\$7,176,431,000”;

9 (2) amending subparagraph (A) to read as fol-  
10 lows: “(A) \$5,454,824,000 shall be for basic grants  
11 under section 1124 of the Elementary and Sec-  
12 ondary Education Act of 1965 (ESEA), of which up  
13 to \$3,437,000 shall be available to the Secretary of  
14 Education on October 1, 2006, to obtain annually  
15 updated educational-agency-level census poverty data  
16 from the Bureau of the Census;” and

17 (3) amending subparagraph (C) to read as fol-  
18 lows: “(C) not to exceed \$2,352,000 may be avail-  
19 able for section 1608 of the ESEA and for a clear-  
20 inghouse on comprehensive school reform under part  
21 D of title V of the ESEA;”.

22 SEC. 6607. The provision in the first proviso under  
23 the heading “Rehabilitation Services and Disability Re-  
24 search” in the Department of Education Appropriations  
25 Act, 2006, relating to alternative financing programs

1 under section 4(b)(2)(D) of the Assistive Technology Act  
2 of 1998 shall not apply to funds appropriated by the Con-  
3 tinuing Appropriations Resolution, 2007.

4 SEC. 6608. From the amounts made available by the  
5 Continuing Appropriations Resolution, 2007 (division B of  
6 Public Law 109-289, as amended by Public Law 110-  
7 5) for administrative expenses of the Department of Edu-  
8 cation, \$500,000 are rescinded: *Provided*, That such re-  
9 duction shall not apply to funds available to the Office  
10 for Civil Rights and the Office of the Inspector General.

11 SEC. 6609. Notwithstanding sections 20639 and  
12 20640 of the Continuing Appropriations Resolution, 2007,  
13 as amended by section 2 of the Revised Continuing Appro-  
14 priations Resolution, 2007 (Public Law 110-5), the Chief  
15 Executive Officer of the Corporation for National and  
16 Community Service may transfer an amount of not more  
17 than \$1,360,000 from the account under the heading  
18 "National and Community Service Programs, Operating  
19 Expenses" under the heading "Corporation for National  
20 and Community Service", to the account under the head-  
21 ing "Salaries and Expenses" under the heading "Corpora-  
22 tion for National and Community Service".

23 SEC. 6610. (a) Section 1310.12(a) of title 45, Code  
24 of Federal Regulations, shall take effect 30 days after the  
25 date of enactment of this Act.

1 (b)(1) Not later than 60 days after the National  
2 Highway Traffic Safety Administration of the Department  
3 of Transportation submits its study on occupant protec-  
4 tion on Head Start transit vehicles (related to Government  
5 Accountability Office report GAO-06-767R), the Sec-  
6 retary of Health and Human Services shall review and  
7 shall revise as necessary the allowable alternate vehicle  
8 standards described in that part 1310 (or any cor-  
9 responding similar regulation or ruling) relating to allow-  
10 able alternate vehicles used to transport children for a  
11 Head Start program. In making any such revision, the  
12 Secretary shall revise the standards to be consistent with  
13 the findings contained in such study, including making a  
14 determination on the exemption of such a vehicle from  
15 Federal seat spacing requirements, and Federal sup-  
16 porting seating requirements related to  
17 compartmentalization, if such vehicle meets all other ap-  
18 plicable Federal motor vehicle safety standards, including  
19 standards for seating systems, occupant crash protection,  
20 seat belt assemblies, and child restraint anchorage systems  
21 consistent with that part 1310 (or any corresponding simi-  
22 lar regulation or ruling).

23 (2) Notwithstanding subsection (a), until such date  
24 as the Secretary of Health and Human Services completes  
25 the review and any necessary revision specified in para-



1 graph (1), the provisions of section 1310.12(a) relating  
2 to Federal seat spacing requirements, and Federal sup-  
3 porting seating requirements related to  
4 compartmentalization, for allowable alternate vehicles  
5 used to transport children for a Head Start program, shall  
6 not apply to such a vehicle if such vehicle meets all other  
7 applicable Federal motor vehicle safety standards, as de-  
8 scribed in paragraph (1).

9 SEC. 6611. (a)(1) Section 3(37)(G) of the Employee  
10 Retirement Income Security Act of 1974 (29 U.S.C.  
11 1002(37)(G)) (as amended by section 1106(a) of the Pen-  
12 sion Protection Act of 2006) is amended—

13 (A) in clause (i)(II)(aa), by striking “for each  
14 of the 3 plan years immediately before the date of  
15 the enactment of the Pension Protection Act of  
16 2006,” and inserting “for each of the 3 plan years  
17 immediately preceding the first plan year for which  
18 the election under this paragraph is effective with  
19 respect to the plan,”;

20 (B) in clause (ii), by striking “starting with the  
21 first plan year ending after the date of the enact-  
22 ment of the Pension Protection Act of 2006” and in-  
23 serting “starting with any plan year beginning on or  
24 after January 1, 1999, and ending before January

1 1, 2008, as designated by the plan in the election  
2 made under clause (i)(II)”; and

3 (C) by adding at the end the following new  
4 clause:

5 “(vii) For purposes of this Act and the Internal Rev-  
6 enue Code of 1986, a plan making an election under this  
7 subparagraph shall be treated as maintained pursuant to  
8 a collective bargaining agreement if a collective bargaining  
9 agreement, expressly or otherwise, provides for or permits  
10 employer contributions to the plan by one or more employ-  
11 ers that are signatory to such agreement, or participation  
12 in the plan by one or more employees of an employer that  
13 is signatory to such agreement, regardless of whether the  
14 plan was created, established, or maintained for such em-  
15 ployees by virtue of another document that is not a collec-  
16 tive bargaining agreement.”.

17 (2) Paragraph (6) of section 414(f) of the Internal  
18 Revenue Code of 1986 (relating to election with regard  
19 to multiemployer status) (as amended by section 1106(b)  
20 of the Pension Protection Act of 2006) is amended—

21 (A) in subparagraph (A)(ii)(I), by striking “for  
22 each of the 3 plan years immediately before the date  
23 of enactment of the Pension Protection Act of  
24 2006,” and inserting “for each of the 3 plan years  
25 immediately preceding the first plan year for which

1 the election under this paragraph is effective with  
2 respect to the plan,”;

3 (B) in subparagraph (B), by striking “starting  
4 with the first plan year ending after the date of the  
5 enactment of the Pension Protection Act of 2006”  
6 and inserting “starting with any plan year beginning  
7 on or after January 1, 1999, and ending before Jan-  
8 uary 1, 2008, as designated by the plan in the elec-  
9 tion made under subparagraph (A)(ii)”;

10 (C) by adding at the end the following new sub-  
11 paragraph:

12 “(F) MAINTENANCE UNDER COLLECTIVE  
13 BARGAINING AGREEMENT.—For purposes of  
14 this title and the Employee Retirement Income  
15 Security Act of 1974, a plan making an election  
16 under this paragraph shall be treated as main-  
17 tained pursuant to a collective bargaining  
18 agreement if a collective bargaining agreement,  
19 expressly or otherwise, provides for or permits  
20 employer contributions to the plan by one or  
21 more employers that are signatory to such  
22 agreement, or participation in the plan by one  
23 or more employees of an employer that is signa-  
24 tory to such agreement, regardless of whether  
25 the plan was created, established, or maintained

1           for such employees by virtue of another docu-  
2           ment that is not a collective bargaining agree-  
3           ment.”.

4       (b)(1) Clause (vi) of section 3(37)(G) of the Em-  
5       ployee Retirement Income Security Act of 1974 (as  
6       amended by section 1106(a) of the Pension Protection Act  
7       of 2006) is amended by striking “if it is a plan—” and  
8       all that follows and inserting the following: “if it is a plan  
9       sponsored by an organization which is described in section  
10      501(c)(5) of the Internal Revenue Code of 1986 and ex-  
11      empt from tax under section 501(a) of such Code and  
12      which was established in Chicago, Illinois, on August 12,  
13      1881.”.

14      (2) Subparagraph (E) of section 414(f)(6) of the In-  
15      ternal Revenue Code of 1986 (as amended by section  
16      1106(b) of the Pension Protection Act of 2006) is amend-  
17      ed by striking “if it is a plan—” and all that follows and  
18      inserting the following: “if it is a plan sponsored by an  
19      organization which is described in section 501(c)(5) and  
20      exempt from tax under section 501(a) and which was es-  
21      tablished in Chicago, Illinois, on August 12, 1881.”.

22      (c) The amendments made by this section shall take  
23      effect as if included in section 1106 of the Pension Protec-  
24      tion Act of 2006.

1       SEC. 6612. (a) Subclause (III) of section  
2 420(f)(2)(E)(i) of the Internal Revenue Code of 1986 is  
3 amended by striking “subsection (c)(2)(E)(ii)(II)” and in-  
4 serting “subsection (c)(3)(E)(ii)(II)”.

5       (b) Section 420(e)(2)(B) of the Internal Revenue  
6 Code of 1986 is amended by striking “funding shortfall”  
7 and inserting “funding target”.

8       (c) The amendments made by this section shall take  
9 effect as if included in the provisions of the Pension Pro-  
10 tection Act of 2006 to which they relate.

11       SEC. 6613. (a) Subparagraph (A) of section  
12 420(c)(3) of the Internal Revenue Code of 1986 is amend-  
13 ed by striking “transfer.” and inserting “transfer or, in  
14 the case of a transfer which involves a plan maintained  
15 by an employer described in subsection (f)(2)(E)(i)(III),  
16 if the plan meets the requirements of subsection  
17 (f)(2)(D)(i)(II).”.

18       (b) The amendment made by subsection (a) shall  
19 apply to transfers after the date of the enactment of this  
20 Act.

21       SEC. 6614. (a) Section 402(i)(1) of the Pension Pro-  
22 tection Act of 2006 is amended by striking “December 28,  
23 2007” and inserting “January 1, 2008”.

1 (b) The amendment made by subsection (a) shall take  
2 effect as if included in section 402 of the Pension Protec-  
3 tion Act of 2006.

4 SEC. 6615. (a) Section 402(a)(2) of the Pension Pro-  
5 tection Act of 2006 is amended by inserting “and by  
6 using, in determining the funding target for each of the  
7 10 plan years during such period, an interest rate of 8.25  
8 percent (rather than the segment rates calculated on the  
9 basis of the corporate bond yield curve)” after “such plan  
10 year”.

11 (b) The amendment made by this section shall take  
12 effect as if included in the provisions of the Pension Pro-  
13 tection Act of 2006 to which such amendment relates.

## 14 **CHAPTER 7**

### 15 **LEGISLATIVE BRANCH**

#### 16 **HOUSE OF REPRESENTATIVES**

##### 17 **PAYMENT TO WIDOWS AND HEIRS OF DECEASED**

##### 18 **MEMBERS OF CONGRESS**

19 For payment to Gloria W. Norwood, widow of Charles  
20 W. Norwood, Jr., late a Representative from the State of  
21 Georgia, \$165,200.

22 For payment to James McDonald, Jr., widower of  
23 Juanita Millender-McDonald, late a Representative from  
24 the State of California, \$165,200.

1       GENERAL PROVISION—THIS CHAPTER

2       SEC. 6701. (a) There is established in the Office of  
3 the Architect of the Capitol the position of Chief Executive  
4 Officer for Visitor Services (in this section referred to as  
5 the “Chief Executive Officer”), who shall be appointed by  
6 the Architect of the Capitol.

7       (b) The Chief Executive Officer shall be responsible  
8 for the operation and management of the Capitol Visitor  
9 Center, subject to the direction of the Architect of the  
10 Capitol. In carrying out these responsibilities, the Chief  
11 Executive Officer shall report directly to the Architect of  
12 the Capitol and shall be subject to policy review and over-  
13 sight by the Committee on Rules and Administration of  
14 the Senate and the Committee on House Administration  
15 of the House of Representatives.

16       (c) The Chief Executive Officer shall be paid at an  
17 annual rate equal to the annual rate of pay for the Chief  
18 Operating Officer of the Office of the Architect of the Cap-  
19 itol.

20       (d) This section shall apply with respect to fiscal year  
21 2007 and each succeeding fiscal year.

1

**CHAPTER 8**

2

**GENERAL PROVISIONS—THIS CHAPTER**

3

**TECHNICAL AMENDMENT**

4

SEC. 6801. (a) Notwithstanding any other provision of law, subsection (c) under the heading “Assistance for the Independent States of the Former Soviet Union” in Public Law 109–102, shall not apply to funds appropriated by the Continuing Appropriations Resolution, 2007 (Public Law 109–289, division B) as amended by Public Laws 109–369, 109–383, and 110–5.

(b) Section 534(k) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2006 (Public Law 109–102) is amended, in the second proviso, by inserting after “subsection (b) of that section” the following: “and the requirement that a majority of the members of the board of directors be United States citizens provided in subsection (d)(3)(B) of that section”.

(c) Subject to section 101(c)(2) of the Continuing Appropriations Resolution, 2007 (division B of Public Law 109–289, as amended by Public Law 110–5), the amount of funds appropriated for “Foreign Military Financing Program” pursuant to such Resolution shall be construed to be the total of the amount appropriated for such program by section 20401 of that Resolution and the amount made available for such program by section 591



1 of the Foreign Operations, Export Financing, and Related  
2 Programs Appropriations Act, 2006 (Public Law 109–  
3 102) which is made applicable to the fiscal year 2007 by  
4 the provisions of such Resolution.

5 SEC. 6802. Notwithstanding any provision of title I  
6 of division B of the Continuing Appropriations Resolution,  
7 2007 (division B of Public Law 109–289, as amended by  
8 Public Laws 109–369, 109–383, and 110–5), the dollar  
9 amount limitation of the first proviso under the heading,  
10 “Administration of Foreign Affairs, Diplomatic and Con-  
11 sular Programs”, in title IV of the Science, State, Justice,  
12 Commerce, and Related Agencies Appropriations Act,  
13 2006 (Public Law 109–108; 119 Stat. 2319) shall not  
14 apply to funds appropriated under such heading for fiscal  
15 year 2007.

## 16 CHAPTER 9

### 17 DEPARTMENT OF HOUSING AND URBAN

### 18 DEVELOPMENT

### 19 OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

### 20 SALARIES AND EXPENSES

### 21 (INCLUDING TRANSFER OF FUNDS)

22 For an additional amount to carry out the Federal  
23 Housing Enterprises Financial Safety and Soundness Act  
24 of 1992, \$6,150,000, to remain available until expended,  
25 to be derived from the Federal Housing Enterprises Over-  
26 sight Fund and to be subject to the same terms and condi-

1 tions pertaining to funds provided under this heading in  
2 Public Law 109–115: *Provided*, That not to exceed the  
3 total amount provided for these activities for fiscal year  
4 2007 shall be available from the general fund of the Treas-  
5 ury to the extent necessary to incur obligations and make  
6 expenditures pending the receipt of collections to the  
7 Fund: *Provided further*, That the general fund amount  
8 shall be reduced as collections are received during the fis-  
9 cal year so as to result in a final appropriation from the  
10 general fund estimated at not more than \$0.

11 GENERAL PROVISIONS—THIS CHAPTER

12 SEC. 6901. (a) Hereafter, funds limited or appro-  
13 priated for the Department of Transportation may be obli-  
14 gated or expended to grant authority to a Mexico-domi-  
15 ciled motor carrier to operate beyond United States mu-  
16 nicipalities and commercial zones on the United States-  
17 Mexico border only to the extent that—

18 (1) granting such authority is first tested as  
19 part of a pilot program;

20 (2) such pilot program complies with the re-  
21 quirements of section 350 of Public Law 107–87  
22 and the requirements of section 31315(c) of title 49,  
23 United States Code, related to pilot programs; and

1           (3) simultaneous and comparable authority to  
2       operate within Mexico is made available to motor  
3       carriers domiciled in the United States.

4       (b) Prior to the initiation of the pilot program de-  
5       scribed in subsection (a) in any fiscal year—

6           (1) the Inspector General of the Department of  
7       Transportation shall transmit to Congress and the  
8       Secretary of Transportation a report verifying com-  
9       pliance with each of the requirements of subsection  
10      (a) of section 350 of Public Law 107-87, including  
11      whether the Secretary of Transportation has estab-  
12      lished sufficient mechanisms to apply Federal motor  
13      carrier safety laws and regulations to motor carriers  
14      domiciled in Mexico that are granted authority to  
15      operate beyond the United States municipalities and  
16      commercial zones on the United States-Mexico bor-  
17      der and to ensure compliance with such laws and  
18      regulations; and

19           (2) the Secretary of Transportation shall—

20                (A) take such action as may be necessary  
21           to address any issues raised in the report of the  
22           Inspector General under subsection (b)(1) and  
23           submit a report to Congress detailing such ac-  
24           tions; and

1 (B) publish in the Federal Register, and  
2 provide sufficient opportunity for public notice  
3 and comment—

4 (i) comprehensive data and informa-  
5 tion on the pre-authorization safety audits  
6 conducted before and after the date of en-  
7 actment of this Act of motor carriers domi-  
8 ciled in Mexico that are granted authority  
9 to operate beyond the United States mu-  
10 nicipalities and commercial zones on the  
11 United States-Mexico border;

12 (ii) specific measures to be required to  
13 protect the health and safety of the public,  
14 including enforcement measures and pen-  
15 alties for noncompliance;

16 (iii) specific measures to be required  
17 to ensure compliance with section  
18 391.11(b)(2) and section 365.501(b) of  
19 title 49, Code of Federal Regulations;

20 (iv) specific standards to be used to  
21 evaluate the pilot program and compare  
22 any change in the level of motor carrier  
23 safety as a result of the pilot program; and

24 (v) a list of Federal motor carrier  
25 safety laws and regulations, including the

1 commercial drivers license requirements,  
2 for which the Secretary of Transportation  
3 will accept compliance with a cor-  
4 responding Mexican law or regulation as  
5 the equivalent to compliance with the  
6 United States law or regulation, including  
7 for each law or regulation an analysis as to  
8 how the corresponding United States and  
9 Mexican laws and regulations differ.

10 (c) During and following the pilot program described  
11 in subsection (a), the Inspector General of the Department  
12 of Transportation shall monitor and review the conduct  
13 of the pilot program and submit to Congress and the Sec-  
14 retary of Transportation an interim report, 6 months after  
15 the commencement of the pilot program, and a final re-  
16 port, within 60 days after the conclusion of the pilot pro-  
17 gram. Such reports shall address whether—

18 (1) the Secretary of Transportation has estab-  
19 lished sufficient mechanisms to determine whether  
20 the pilot program is having any adverse effects on  
21 motor carrier safety;

22 (2) Federal and State monitoring and enforce-  
23 ment activities are sufficient to ensure that partici-  
24 pants in the pilot program are in compliance with all  
25 applicable laws and regulations; and

1           (3) the pilot program consists of a representa-  
2       tive and adequate sample of Mexico-domiciled car-  
3       riers likely to engage in cross-border operations be-  
4       yond United States municipalities and commercial  
5       zones on the United States-Mexico border.

6       (d) In the event that the Secretary of Transportation  
7       in any fiscal year seeks to grant operating authority for  
8       the purpose of initiating cross-border operations beyond  
9       United States municipalities and commercial zones on the  
10      United States-Mexico border either with Mexico-domiciled  
11      motor coaches or Mexico-domiciled commercial motor vehi-  
12      cles carrying placardable quantities of hazardous mate-  
13      rials, such activities shall be initiated only after the con-  
14      clusion of a separate pilot program limited to vehicles of  
15      the pertinent type. Each such separate pilot program shall  
16      follow the same requirements and processes stipulated  
17      under subsections (a) through (c) of this section and shall  
18      be planned, conducted and evaluated in concert with the  
19      Department of Homeland Security or its Inspector Gen-  
20      eral, as appropriate, so as to address any and all security  
21      concerns associated with such cross-border operations.

22       SEC. 6902. Funds provided for the "National Trans-  
23      portation Safety Board, Salaries and Expenses" in section  
24      21031 of the Continuing Appropriations Resolution, 2007  
25      (division B of Public Law 109-289, as amended by Public

1 Law 110-5) include amounts necessary to make lease pay-  
2 ments due in fiscal year 2007 only, on an obligation in-  
3 curred in 2001 under a capital lease.

4 SEC. 6903. Section 21033 of the Continuing Appro-  
5 priations Resolution, 2007 (division B of Public Law 109-  
6 289, as amended by Public Law 110-5) is amended by  
7 adding after the second proviso: “: *Provided further*, That  
8 paragraph (2) under such heading in Public Law 109-  
9 115 (119 Stat. 2441) shall be funded at \$149,300,000,  
10 but additional section 8 tenant protection rental assistance  
11 costs may be funded in 2007 by using unobligated bal-  
12 ances, notwithstanding the purposes for which such  
13 amounts were appropriated, including recaptures and car-  
14 ryover, remaining from funds appropriated to the Depart-  
15 ment of Housing and Urban Development under this  
16 heading, the heading ‘Annual Contributions for Assisted  
17 Housing’, the heading ‘Housing Certificate Fund’, and the  
18 heading ‘Project-Based Rental Assistance’ for fiscal year  
19 2006 and prior fiscal years: *Provided further*, That para-  
20 graph (3) under such heading in Public Law 109-115  
21 (119 Stat. 2441) shall be funded at \$47,500,000: *Pro-*  
22 *vided further*, That paragraph (4) under such heading in  
23 Public Law 109-115 (119 Stat. 2441) shall be funded at  
24 \$5,900,000: *Provided further*, That paragraph (5) under  
25 such heading in Public Law 109-115 (119 Stat. 2441)

1 shall be funded at \$1,281,100,000, of which  
2 \$1,251,100,000 shall be allocated for the calendar year  
3 2007 funding cycle on a pro rata basis to public housing  
4 agencies based on the amount public housing agencies  
5 were eligible to receive in calendar year 2006, and of which  
6 up to \$30,000,000 shall be available to the Secretary to  
7 allocate to public housing agencies that need additional  
8 funds to administer their section 8 programs, with up to  
9 \$20,000,000 to be for fees associated with section 8 tenant  
10 protection rental assistance”.

11 SEC. 6904. Section 232(b) of the Departments of  
12 Veterans Affairs and Housing and Urban Development,  
13 and Independent Agencies Appropriations Act, 2001  
14 (Public Law 106–377) is amended to read as follows:

15 “(b) APPLICABILITY.—In the case of any dwelling  
16 unit that, upon the date of the enactment of this Act, is  
17 assisted under a housing assistance payment contract  
18 under section 8(o)(13) as in effect before such enactment,  
19 or under section 8(d)(2) of the United States Housing Act  
20 of 1937 (42 U.S.C. 1437f(d)(2)) as in effect before the  
21 enactment of the Quality Housing and Work Responsi-  
22 bility Act of 1998 (title V of Public Law 105–276), assist-  
23 ance may be renewed or extended under such section  
24 8(o)(13), as amended by subsection (a), provided that the  
25 initial contract term and rent of such renewed or extended



1 assistance shall be determined pursuant to subparagraphs  
2 (F) and (H), and subparagraphs (C) and (D) of such sec-  
3 tion shall not apply to such extensions or renewals.”.

4 **TITLE VII—ELIMINATION OF**  
5 **SCHIP SHORTFALL AND**  
6 **OTHER HEALTH MATTERS**

7 DEPARTMENT OF HEALTH AND HUMAN  
8 SERVICES

9 CENTERS FOR MEDICARE AND MEDICAID SERVICES  
10 STATE CHILDREN’S HEALTH INSURANCE FUND

11 For an additional amount to provide additional allot-  
12 ments to remaining shortfall States under section  
13 2104(h)(4) of the Social Security Act, as inserted by sec-  
14 tion 6001, such sums as may be necessary, but not to ex-  
15 ceed \$650,000,000 for fiscal year 2007, to remain avail-  
16 able until expended.

17 GENERAL PROVISIONS—THIS TITLE

18 SEC. 7001. (a) ELIMINATION OF REMAINDER OF  
19 SCHIP FUNDING SHORTFALLS, TIERED MATCH, AND  
20 OTHER LIMITATION ON EXPENDITURES.—Section  
21 2104(h) of the Social Security Act (42 U.S.C. 1397dd(h)),  
22 as added by section 201(a) of the National Institutes of  
23 Health Reform Act of 2006 (Public Law 109–482), is  
24 amended—

1 (1) in the heading for paragraph (2), by strik-  
2 ing “REMAINDER OF REDUCTION” and inserting  
3 “PART”; and

4 (2) by striking paragraph (4) and inserting the  
5 following:

6 “(4) ADDITIONAL AMOUNTS TO ELIMINATE RE-  
7 MAINDER OF FISCAL YEAR 2007 FUNDING SHORT-  
8 FALLS.—

9 “(A) IN GENERAL.—From the amounts  
10 provided in advance in appropriations Acts, the  
11 Secretary shall allot to each remaining shortfall  
12 State described in subparagraph (B) such  
13 amount as the Secretary determines will elimi-  
14 nate the estimated shortfall described in such  
15 subparagraph for the State for fiscal year 2007.

16 “(B) REMAINING SHORTFALL STATE DE-  
17 SCRIBED.—For purposes of subparagraph (A),  
18 a remaining shortfall State is a State with a  
19 State child health plan approved under this title  
20 for which the Secretary estimates, on the basis  
21 of the most recent data available to the Sec-  
22 retary as of the date of the enactment of this  
23 paragraph, that the projected Federal expendi-  
24 tures under such plan for the State for fiscal  
25 year 2007 will exceed the sum of—

1                   “(i) the amount of the State’s allot-  
2                   ments for each of fiscal years 2005 and  
3                   2006 that will not be expended by the end  
4                   of fiscal year 2006;

5                   “(ii) the amount of the State’s allot-  
6                   ment for fiscal year 2007; and

7                   “(iii) the amounts, if any, that are to  
8                   be redistributed to the State during fiscal  
9                   year 2007 in accordance with paragraphs  
10                  (1) and (2).”.

11       (b) CONFORMING AMENDMENTS.—Section 2104(h)  
12 of such Act (42 U.S.C. 1397dd(h)) (as so added), is  
13 amended—

14               (1) in paragraph (1)(B), by striking “subject to  
15               paragraph (4)(B) and”;

16               (2) in paragraph (2)(B), by striking “subject to  
17               paragraph (4)(B) and”;

18               (3) in paragraph (5)(A), by striking “and (3)”  
19               and inserting “(3), and (4)”; and

20               (4) in paragraph (6)—

21                   (A) in the first sentence—

22                       (i) by inserting “or allotted” after  
23                       “redistributed”; and

24                       (ii) by inserting “or allotments” after  
25                       “redistributions”; and

1 (B) by striking “and (3)” and inserting  
2 “(3), and (4)”.

3 SEC. 7002. (a) PROHIBITION.—

4 (1) LIMITATION ON SECRETARIAL AUTHOR-  
5 ITY.—Notwithstanding any other provision of law,  
6 the Secretary of Health and Human Services shall  
7 not, prior to the date that is 1 year after the date  
8 of enactment of this Act, take any action (through  
9 promulgation of regulation, issuance of regulatory  
10 guidance, or other administrative action) to—

11 (A) finalize or otherwise implement provi-  
12 sions contained in the proposed rule published  
13 on January 18, 2007, on pages 2236 through  
14 2248 of volume 72, Federal Register (relating  
15 to parts 433, 447, and 457 of title 42, Code of  
16 Federal Regulations);

17 (B) promulgate or implement any rule or  
18 provisions similar to the provisions described in  
19 subparagraph (A) pertaining to the Medicaid  
20 program established under title XIX of the So-  
21 cial Security Act or the State Children’s Health  
22 Insurance Program established under title XXI  
23 of such Act; or

1 (C) promulgate or implement any rule or  
2 provisions restricting payments for graduate  
3 medical education under the Medicaid program.

4 (2) CONTINUATION OF OTHER SECRETARIAL  
5 AUTHORITY.—The Secretary of Health and Human  
6 Service shall not be prohibited during the period de-  
7 scribed in paragraph (1) from taking any action  
8 (through promulgation of regulation, issuance of  
9 regulatory guidance, or other administrative action)  
10 to enforce a provision of law in effect as of the date  
11 of enactment of this Act with respect to the Med-  
12 icaid program or the State Children's Health Insur-  
13 ance Program, or to promulgate or implement a new  
14 rule or provision during such period with respect to  
15 such programs, other than a rule or provision de-  
16 scribed in paragraph (1) and subject to the prohibi-  
17 tion set forth in that paragraph.

18 (b) REQUIREMENT FOR USE OF TAMPER-RESISTANT  
19 PRESCRIPTION PADS UNDER THE MEDICAID PRO-  
20 GRAM.—

21 (1) IN GENERAL.—Section 1903(i) of the Social  
22 Security Act (42 U.S.C. 1396b(i)) is amended—

23 (A) by striking “or” at the end of para-  
24 graph (21);

1 (B) by striking the period at the end of  
2 paragraph (22) and inserting “; or”; and

3 (C) by inserting after paragraph (22) the  
4 following new paragraph:

5 “(23) with respect to amounts expended for  
6 medical assistance for covered outpatient drugs (as  
7 defined in section 1927(k)(2)) for which the pre-  
8 scription was executed in written (and non-elec-  
9 tronic) form unless the prescription was executed on  
10 a tamper-resistant pad.”.

11 (2) EFFECTIVE DATE.—The amendments made  
12 by paragraph (1) shall apply to prescriptions exe-  
13 cuted after September 30, 2007.

14 (c) EXTENSION OF CERTAIN PHARMACY PLUS WAIV-  
15 ERS.—

16 (1) AUTHORITY TO CONTINUE TO OPERATE  
17 WAIVERS.—Notwithstanding any other provision of  
18 law, any State that is operating a Pharmacy Plus  
19 waiver described in paragraph (2) which would oth-  
20 erwise expire on June 30, 2007, may elect to con-  
21 tinue to operate the waiver through December 31,  
22 2009 and if a State elects to continue to operate  
23 such a waiver, the Secretary of Health and Human  
24 Services shall approve the continuation of the waiver  
25 through December 31, 2009.

1           (2) PHARMACY PLUS WAIVER DESCRIBED.—For  
2       purposes of paragraph (1), a Pharmacy Plus waiver  
3       described in this paragraph is a waiver approved by  
4       the Secretary of Health and Human Services under  
5       the authority of section 1115 of the Social Security  
6       Act (42 U.S.C. 1315) that provides coverage for pre-  
7       scription drugs for individuals who have attained age  
8       65 and whose family income does not exceed 200  
9       percent of the poverty line (as defined in section  
10      2110(c)(5) of such Act (42 U.S.C. 1397jj(c)(5)).

11           **TITLE VIII—FAIR MINIMUM**  
12           **WAGE AND TAX RELIEF**  
13      **Subtitle A—Fair Minimum Wage**

14      **SEC. 8101. SHORT TITLE.**

15           This subtitle may be cited as the “Fair Minimum  
16      Wage Act of 2007”.

17      **SEC. 8102. MINIMUM WAGE.**

18           (a) IN GENERAL.—Section 6(a)(1) of the Fair Labor  
19      Standards Act of 1938 (29 U.S.C. 206(a)(1)) is amended  
20      to read as follows:

21                   “(1) except as otherwise provided in this sec-  
22      tion, not less than—

23                           “(A) \$5.85 an hour, beginning on the 60th  
24                   day after the date of enactment of the Fair  
25                   Minimum Wage Act of 2007;

1           “(B) \$6.55 an hour, beginning 12 months  
2           after that 60th day; and

3           “(C) \$7.25 an hour, beginning 24 months  
4           after that 60th day;”.

5       (b) EFFECTIVE DATE.—The amendment made by  
6 subsection (a) shall take effect 60 days after the date of  
7 enactment of this Act.

8       **SEC. 8103. APPLICABILITY OF MINIMUM WAGE TO AMER-**  
9                               **ICAN SAMOA AND THE COMMONWEALTH OF**  
10                              **THE NORTHERN MARIANA ISLANDS.**

11       (a) IN GENERAL.—Section 6 of the Fair Labor  
12 Standards Act of 1938 (29 U.S.C. 206) shall apply to  
13 American Samoa and the Commonwealth of the Northern  
14 Mariana Islands.

15       (b) TRANSITION.—Notwithstanding subsection (a)—

16           (1) the minimum wage applicable to the Com-  
17 monwealth of the Northern Mariana Islands under  
18 section 6(a)(1) of the Fair Labor Standards Act of  
19 1938 (29 U.S.C. 206(a)(1)) shall be—

20           (A) \$3.55 an hour, beginning on the 60th  
21 day after the date of enactment of this Act; and

22           (B) increased by \$0.50 an hour (or such  
23 lesser amount as may be necessary to equal the  
24 minimum wage under section 6(a)(1) of such  
25 Act), beginning 1 year after the date of enact-



1           ment of this Act and each year thereafter until  
2           the minimum wage applicable to the Common-  
3           wealth of the Northern Mariana Islands under  
4           this paragraph is equal to the minimum wage  
5           set forth in such section; and

6           (2) the minimum wage applicable to American  
7           Samoa under section 6(a)(1) of the Fair Labor  
8           Standards Act of 1938 (29 U.S.C. 206(a)(1)) shall  
9           be—

10                   (A) the applicable wage rate in effect for  
11                   each industry and classification under section  
12                   697 of title 29, Code of Federal Regulations, on  
13                   the date of enactment of this Act;

14                   (B) increased by \$0.50 an hour, beginning  
15                   on the 60th day after the date of enactment of  
16                   this Act; and

17                   (C) increased by \$0.50 an hour (or such  
18                   lesser amount as may be necessary to equal the  
19                   minimum wage under section 6(a)(1) of such  
20                   Act), beginning 1 year after the date of enact-  
21                   ment of this Act and each year thereafter until  
22                   the minimum wage applicable to American  
23                   Samoa under this paragraph is equal to the  
24                   minimum wage set forth in such section.

25           (c) CONFORMING AMENDMENTS.—

1           (1) IN GENERAL.—The Fair Labor Standards  
2    Act of 1938 is amended—

3                   (A) by striking sections 5 and 8; and

4                   (B) in section 6(a), by striking paragraph  
5           (3) and redesignating paragraphs (4) and (5)  
6           as paragraphs (3) and (4), respectively.

7           (2) EFFECTIVE DATE.—The amendments made  
8    by this subsection shall take effect 60 days after the  
9    date of enactment of this Act.

10 **SEC. 8104. STUDY ON PROJECTED IMPACT.**

11       (a) STUDY.—Beginning on the date that is 60 days  
12   after the date of enactment of this Act, the Secretary of  
13   Labor shall, through the Bureau of Labor Statistics, con-  
14   duct a study to—

15               (1) assess the impact of the wage increases re-  
16       quired by this Act through such date; and

17               (2) project the impact of any further wage in-  
18       crease,

19   on living standards and rates of employment in American  
20   Samoa and the Commonwealth of the Northern Mariana  
21   Islands.

22       (b) REPORT.—Not later than the date that is 8  
23   months after the date of enactment of this Act, the Sec-  
24   retary of Labor shall transmit to Congress a report on  
25   the findings of the study required by subsection (a).

1       **Subtitle B—Small Business Tax**  
2                   **Incentives**

3       **SEC. 8201. SHORT TITLE; AMENDMENT OF CODE; TABLE OF**  
4                   **CONTENTS.**

5           (a) **SHORT TITLE.**—This subtitle may be cited as the  
6       “Small Business and Work Opportunity Tax Act of  
7       2007”.

8           (b) **AMENDMENT OF 1986 CODE.**—Except as other-  
9       wise expressly provided, whenever in this subtitle an  
10      amendment or repeal is expressed in terms of an amend-  
11      ment to, or repeal of, a section or other provision, the ref-  
12      erence shall be considered to be made to a section or other  
13      provision of the Internal Revenue Code of 1986.

14          (c) **TABLE OF CONTENTS.**—The table of contents of  
15      this subtitle is as follows:

Sec. 8201. Short title; amendment of Code; table of contents.

**PART 1—SMALL BUSINESS TAX RELIEF PROVISIONS**

**SUBPART A—GENERAL PROVISIONS**

Sec. 8211. Extension and modification of work opportunity tax credit.

Sec. 8212. Extension and increase of expensing for small business.

Sec. 8213. Determination of credit for certain taxes paid with respect to em-  
ployee cash tips.

Sec. 8214. Waiver of individual and corporate alternative minimum tax limits  
on work opportunity credit and credit for taxes paid with re-  
spect to employee cash tips.

Sec. 8215. Family business tax simplification.

**SUBPART B—GULF OPPORTUNITY ZONE TAX INCENTIVES**

Sec. 8221. Extension of increased expensing for qualified section 179 Gulf Op-  
portunity Zone property.

Sec. 8222. Extension and expansion of low-income housing credit rules for  
buildings in the GO Zones.

Sec. 8223. Special tax-exempt bond financing rule for repairs and reconstruc-  
tions of residences in the GO Zones.

## 139

Sec. 8224. GAO study of practices employed by State and local governments in allocating and utilizing tax incentives provided pursuant to the Gulf Opportunity Zone Act of 2005.

## SUBPART C—SUBCHAPTER S PROVISIONS

Sec. 8231. Capital gain of S corporation not treated as passive investment income.

Sec. 8232. Treatment of bank director shares.

Sec. 8233. Special rule for bank required to change from the reserve method of accounting on becoming S corporation.

Sec. 8234. Treatment of the sale of interest in a qualified subchapter S subsidiary.

Sec. 8235. Elimination of all earnings and profits attributable to pre-1983 years for certain corporations.

Sec. 8236. Deductibility of interest expense on indebtedness incurred by an electing small business trust to acquire S corporation stock.

## PART 2—REVENUE PROVISIONS

Sec. 8241. Increase in age of children whose unearned income is taxed as if parent's income.

Sec. 8242. Suspension of certain penalties and interest.

Sec. 8243. Modification of collection due process procedures for employment tax liabilities.

Sec. 8244. Permanent extension of IRS user fees.

Sec. 8245. Increase in penalty for bad checks and money orders.

Sec. 8246. Understatement of taxpayer liability by return preparers.

Sec. 8247. Penalty for filing erroneous refund claims.

Sec. 8248. Time for payment of corporate estimated taxes.

1           **PART 1—SMALL BUSINESS TAX RELIEF**2                           **PROVISIONS**3                           **Subpart A—General Provisions**4   **SEC. 8211. EXTENSION AND MODIFICATION OF WORK OP-**  
5                           **PORTUNITY TAX CREDIT.**

6           (a) **EXTENSION.**—Section 51(c)(4)(B) (relating to  
7 termination) is amended by striking “December 31, 2007”  
8 and inserting “August 31, 2011”.

9           (b) **INCREASE IN MAXIMUM AGE FOR DESIGNATED**  
10 **COMMUNITY RESIDENTS.**—

11                   (1) **IN GENERAL.**—Paragraph (5) of section  
12 51(d) is amended to read as follows:

1 “(5) DESIGNATED COMMUNITY RESIDENTS.—

2 “(A) IN GENERAL.—The term ‘designated  
3 community resident’ means any individual who  
4 is certified by the designated local agency—

5 “(i) as having attained age 18 but not  
6 age 40 on the hiring date, and

7 “(ii) as having his principal place of  
8 abode within an empowerment zone, enter-  
9 prise community, renewal community, or  
10 rural renewal county.

11 “(B) INDIVIDUAL MUST CONTINUE TO RE-  
12 SIDE IN ZONE, COMMUNITY, OR COUNTY.—In  
13 the case of a designated community resident,  
14 the term ‘qualified wages’ shall not include  
15 wages paid or incurred for services performed  
16 while the individual’s principal place of abode is  
17 outside an empowerment zone, enterprise com-  
18 munity, renewal community, or rural renewal  
19 county.

20 “(C) RURAL RENEWAL COUNTY.—For pur-  
21 poses of this paragraph, the term ‘rural renewal  
22 county’ means any county which—

23 “(i) is outside a metropolitan statis-  
24 tical area (defined as such by the Office of  
25 Management and Budget), and

1                   “(ii) during the 5-year periods 1990  
2                   through 1994 and 1995 through 1999 had  
3                   a net population loss.”.

4           (2) CONFORMING AMENDMENT.—Subparagraph  
5           (D) of section 51(d)(1) is amended to read as fol-  
6           lows:

7                   “(D) a designated community resident,”.

8           (c) CLARIFICATION OF TREATMENT OF INDIVIDUALS  
9           UNDER INDIVIDUAL WORK PLANS.—Subparagraph (B)  
10          of section 51(d)(6) (relating to vocational rehabilitation  
11          referral) is amended by striking “or” at the end of clause  
12          (i), by striking the period at the end of clause (ii) and  
13          inserting “, or”, and by adding at the end the following  
14          new clause:

15                   “(iii) an individual work plan devel-  
16                   oped and implemented by an employment  
17                   network pursuant to subsection (g) of sec-  
18                   tion 1148 of the Social Security Act with  
19                   respect to which the requirements of such  
20                   subsection are met.”.

21          (d) TREATMENT OF DISABLED VETERANS UNDER  
22          THE WORK OPPORTUNITY TAX CREDIT.—

23                  (1) DISABLED VETERANS TREATED AS MEM-  
24          BERS OF TARGETED GROUP.—

1 (A) IN GENERAL.—Subparagraph (A) of  
2 section 51(d)(3) (relating to qualified veteran)  
3 is amended by striking “agency as being a  
4 member of a family” and all that follows and  
5 inserting “agency as—

6 “(i) being a member of a family re-  
7 ceiving assistance under a food stamp pro-  
8 gram under the Food Stamp Act of 1977  
9 for at least a 3-month period ending dur-  
10 ing the 12-month period ending on the hir-  
11 ing date, or

12 “(ii) entitled to compensation for a  
13 service-connected disability, and—

14 “(I) having a hiring date which is  
15 not more than 1 year after having  
16 been discharged or released from ac-  
17 tive duty in the Armed Forces of the  
18 United States, or

19 “(II) having aggregate periods of  
20 unemployment during the 1-year pe-  
21 riod ending on the hiring date which  
22 equal or exceed 6 months.”.

23 (B) DEFINITIONS.—Paragraph (3) of sec-  
24 tion 51(d) is amended by adding at the end the  
25 following new subparagraph:

1           “(C) OTHER DEFINITIONS.—For purposes  
2           of subparagraph (A), the terms ‘compensation’  
3           and ‘service-connected’ have the meanings given  
4           such terms under section 101 of title 38,  
5           United States Code.”.

6           (2) INCREASE IN AMOUNT OF WAGES TAKEN  
7           INTO ACCOUNT FOR DISABLED VETERANS.—Para-  
8           graph (3) of section 51(b) is amended—

9                   (A) by inserting “(\$12,000 per year in the  
10           case of any individual who is a qualified veteran  
11           by reason of subsection (d)(3)(A)(ii))” before  
12           the period at the end, and

13                   (B) by striking “ONLY FIRST \$6,000 OF” in  
14           the heading and inserting “LIMITATION ON”.

15           (e) EFFECTIVE DATE.—The amendments made by  
16           this section shall apply to individuals who begin work for  
17           the employer after the date of the enactment of this Act.

18           **SEC. 8212. EXTENSION AND INCREASE OF EXPENSING FOR**  
19                   **SMALL BUSINESS.**

20           (a) EXTENSION.—Subsections (b)(1), (b)(2), (b)(5),  
21           (c)(2), and (d)(1)(A)(ii) of section 179 (relating to election  
22           to expense certain depreciable business assets) are each  
23           amended by striking “2010” and inserting “2011”.

24           (b) INCREASE IN LIMITATIONS.—Subsection (b) of  
25           section 179 is amended—



1 (1) by striking “\$100,000 in the case of taxable  
2 years beginning after 2002” in paragraph (1) and  
3 inserting “\$125,000 in the case of taxable years be-  
4 ginning after 2006”, and

5 (2) by striking “\$400,000 in the case of taxable  
6 years beginning after 2002” in paragraph (2) and  
7 inserting “\$500,000 in the case of taxable years be-  
8 ginning after 2006”.

9 (c) INFLATION ADJUSTMENT.—Subparagraph (A) of  
10 section 179(b)(5) is amended—

11 (1) by striking “2003” and inserting “2007”,

12 (2) by striking “\$100,000 and \$400,000” and  
13 inserting “\$125,000 and \$500,000”, and

14 (3) by striking “2002” in clause (ii) and insert-  
15 ing “2006”.

16 (d) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to taxable years beginning after  
18 December 31, 2006.

19 **SEC. 8213. DETERMINATION OF CREDIT FOR CERTAIN**  
20 **TAXES PAID WITH RESPECT TO EMPLOYEE**  
21 **CASH TIPS.**

22 (a) IN GENERAL.—Subparagraph (B) of section  
23 45B(b)(1) is amended by inserting “as in effect on Janu-  
24 ary 1, 2007, and” before “determined without regard to”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to tips received for services per-  
3 formed after December 31, 2006.

4 **SEC. 8214. WAIVER OF INDIVIDUAL AND CORPORATE AL-**  
5 **TERNATIVE MINIMUM TAX LIMITS ON WORK**  
6 **OPPORTUNITY CREDIT AND CREDIT FOR**  
7 **TAXES PAID WITH RESPECT TO EMPLOYEE**  
8 **CASH TIPS.**

9 (a) ALLOWANCE AGAINST ALTERNATIVE MINIMUM  
10 TAX.—Subparagraph (B) of section 38(c)(4) is amended  
11 by striking “and” at the end of clause (i), by inserting  
12 a comma at the end of clause (ii), and by adding at the  
13 end the following new clauses:

14 “(iii) the credit determined under sec-  
15 tion 45B, and

16 “(iv) the credit determined under sec-  
17 tion 51.”.

18 (b) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to credits determined under sec-  
20 tions 45B and 51 of the Internal Revenue Code of 1986  
21 in taxable years beginning after December 31, 2006, and  
22 to carrybacks of such credits.

23 **SEC. 8215. FAMILY BUSINESS TAX SIMPLIFICATION.**

24 (a) IN GENERAL.—Section 761 (defining terms for  
25 purposes of partnerships) is amended by redesignating

1 subsection (f) as subsection (g) and by inserting after sub-  
2 section (e) the following new subsection:

3 “(f) QUALIFIED JOINT VENTURE.—

4 “(1) IN GENERAL.—In the case of a qualified  
5 joint venture conducted by a husband and wife who  
6 file a joint return for the taxable year, for purposes  
7 of this title—

8 “(A) such joint venture shall not be treat-  
9 ed as a partnership,

10 “(B) all items of income, gain, loss, deduc-  
11 tion, and credit shall be divided between the  
12 spouses in accordance with their respective in-  
13 terests in the venture, and

14 “(C) each spouse shall take into account  
15 such spouse’s respective share of such items as  
16 if they were attributable to a trade or business  
17 conducted by such spouse as a sole proprietor.

18 “(2) QUALIFIED JOINT VENTURE.—For pur-  
19 poses of paragraph (1), the term ‘qualified joint ven-  
20 ture’ means any joint venture involving the conduct  
21 of a trade or business if—

22 “(A) the only members of such joint ven-  
23 ture are a husband and wife,

24 “(B) both spouses materially participate  
25 (within the meaning of section 469(h) without

1           regard to paragraph (5) thereof) in such trade  
2           or business, and

3                   “(C) both spouses elect the application of  
4           this subsection.”.

5       (b) NET EARNINGS FROM SELF-EMPLOYMENT.—

6           (1) Subsection (a) of section 1402 (defining net  
7           earnings from self-employment) is amended by strik-  
8           ing “, and” at the end of paragraph (15) and insert-  
9           ing a semicolon, by striking the period at the end of  
10          paragraph (16) and inserting “; and”, and by insert-  
11          ing after paragraph (16) the following new para-  
12          graph:

13                   “(17) notwithstanding the preceding provisions  
14          of this subsection, each spouse’s share of income or  
15          loss from a qualified joint venture shall be taken  
16          into account as provided in section 761(f) in deter-  
17          mining net earnings from self-employment of such  
18          spouse.”.

19           (2) Subsection (a) of section 211 of the Social  
20          Security Act (defining net earnings from self-em-  
21          ployment) is amended by striking “and” at the end  
22          of paragraph (14), by striking the period at the end  
23          of paragraph (15) and inserting “; and”, and by in-  
24          serting after paragraph (15) the following new para-  
25          graph:

1           “(16) Notwithstanding the preceding provisions  
2           of this subsection, each spouse’s share of income or  
3           loss from a qualified joint venture shall be taken  
4           into account as provided in section 761(f) of the In-  
5           ternal Revenue Code of 1986 in determining net  
6           earnings from self-employment of such spouse.”.

7           (c) **EFFECTIVE DATE.**—The amendments made by  
8           this section shall apply to taxable years beginning after  
9           December 31, 2006.

10       **Subpart B—Gulf Opportunity Zone Tax Incentives**

11       **SEC. 8221. EXTENSION OF INCREASED EXPENSING FOR**  
12                       **QUALIFIED SECTION 179 GULF OPPORTUNITY**  
13                       **ZONE PROPERTY.**

14       Paragraph (2) of section 1400N(e) (relating to quali-  
15       fied section 179 Gulf Opportunity Zone property) is  
16       amended—

17               (1) by striking “this subsection, the term” and  
18       inserting:

19               “this subsection—

20                       “(A) **IN GENERAL.**—The term”, and

21               (2) by adding at the end the following new sub-  
22       paragraph:

23                       “(B) **EXTENSION FOR CERTAIN PROP-**  
24                       **ERTY.**—In the case of property substantially all  
25                       of the use of which is in one or more specified

1 portions of the GO Zone (as defined by sub-  
2 section (d)(6)), such term shall include section  
3 179 property (as so defined) which is described  
4 in subsection (d)(2), determined—

5 “(i) without regard to subsection  
6 (d)(6), and

7 “(ii) by substituting ‘2008’ for ‘2007’  
8 in subparagraph (A)(v) thereof.”.

9 **SEC. 8222. EXTENSION AND EXPANSION OF LOW-INCOME**  
10 **HOUSING CREDIT RULES FOR BUILDINGS IN**  
11 **THE GO ZONES.**

12 (a) TIME FOR MAKING LOW-INCOME HOUSING  
13 CREDIT ALLOCATIONS.—Subsection (c) of section 1400N  
14 (relating to low-income housing credit) is amended by re-  
15 designating paragraph (5) as paragraph (6) and by insert-  
16 ing after paragraph (4) the following new paragraph:

17 “(5) TIME FOR MAKING LOW-INCOME HOUSING  
18 CREDIT ALLOCATIONS.—Section 42(h)(1)(B) shall  
19 not apply to an allocation of housing credit dollar  
20 amount to a building located in the Gulf Oppor-  
21 tunity Zone, the Rita GO Zone, or the Wilma GO  
22 Zone, if such allocation is made in 2006, 2007, or  
23 2008, and such building is placed in service before  
24 January 1, 2011.”.

1 (b) EXTENSION OF PERIOD FOR TREATING GO  
2 ZONES AS DIFFICULT DEVELOPMENT AREAS.—

3 (1) IN GENERAL.—Subparagraph (A) of section  
4 1400N(c)(3) is amended by striking “2006, 2007, or  
5 2008” and inserting “the period beginning on Janu-  
6 ary 1, 2006, and ending on December 31, 2010”.

7 (2) CONFORMING AMENDMENT.—Clause (ii) of  
8 section 1400N(c)(3)(B) is amended by striking  
9 “such period” and inserting “the period described in  
10 subparagraph (A)”.

11 (c) COMMUNITY DEVELOPMENT BLOCK GRANTS NOT  
12 TAKEN INTO ACCOUNT IN DETERMINING IF BUILDINGS  
13 ARE FEDERALLY SUBSIDIZED.—Subsection (c) of section  
14 1400N (relating to low-income housing credit), as amend-  
15 ed by this Act, is amended by redesignating paragraph (6)  
16 as paragraph (7) and by inserting after paragraph (5) the  
17 following new paragraph:

18 “(6) COMMUNITY DEVELOPMENT BLOCK  
19 GRANTS NOT TAKEN INTO ACCOUNT IN DETER-  
20 MINING IF BUILDINGS ARE FEDERALLY SUB-  
21 SIDIZED.—For purpose of applying section  
22 42(i)(2)(D) to any building which is placed in serv-  
23 ice in the Gulf Opportunity Zone, the Rita GO Zone,  
24 or the Wilma GO Zone during the period beginning  
25 on January 1, 2006, and ending on December 31,

1       2010, a loan shall not be treated as a below market  
2       Federal loan solely by reason of any assistance pro-  
3       vided under section 106, 107, or 108 of the Housing  
4       and Community Development Act of 1974 by reason  
5       of section 122 of such Act or any provision of the  
6       Department of Defense Appropriations Act, 2006, or  
7       the Emergency Supplemental Appropriations Act for  
8       Defense, the Global War on Terror, and Hurricane  
9       Recovery, 2006.”.

10   **SEC. 8223. SPECIAL TAX-EXEMPT BOND FINANCING RULE**  
11                   **FOR REPAIRS AND RECONSTRUCTIONS OF**  
12                   **RESIDENCES IN THE GO ZONES.**

13       Subsection (a) of section 1400N (relating to tax-ex-  
14       empt bond financing) is amended by adding at the end  
15       the following new paragraph:

16               “(7) SPECIAL RULE FOR REPAIRS AND RECON-  
17       STRUCTIONS.—

18               “(A) IN GENERAL.—For purposes of sec-  
19       tion 143 and this subsection, any qualified GO  
20       Zone repair or reconstruction shall be treated  
21       as a qualified rehabilitation.

22               “(B) QUALIFIED GO ZONE REPAIR OR RE-  
23       CONSTRUCTION.—For purposes of subpara-  
24       graph (A), the term ‘qualified GO Zone repair  
25       or reconstruction’ means any repair of damage



1 caused by Hurricane Katrina, Hurricane Rita,  
2 or Hurricane Wilma to a building located in the  
3 Gulf Opportunity Zone, the Rita GO Zone, or  
4 the Wilma GO Zone (or reconstruction of such  
5 building in the case of damage constituting de-  
6 struction) if the expenditures for such repair or  
7 reconstruction are 25 percent or more of the  
8 mortgagor's adjusted basis in the residence.  
9 For purposes of the preceding sentence, the  
10 mortgagor's adjusted basis shall be determined  
11 as of the completion of the repair or reconstruc-  
12 tion or, if later, the date on which the mort-  
13 gator acquires the residence.

14 “(C) TERMINATION.—This paragraph shall  
15 apply only to owner-financing provided after the  
16 date of the enactment of this paragraph and be-  
17 fore January 1, 2011.”.

18 **SEC. 8224. GAO STUDY OF PRACTICES EMPLOYED BY STATE**  
19 **AND LOCAL GOVERNMENTS IN ALLOCATING**  
20 **AND UTILIZING TAX INCENTIVES PROVIDED**  
21 **PURSUANT TO THE GULF OPPORTUNITY**  
22 **ZONE ACT OF 2005.**

23 (a) IN GENERAL.—The Comptroller General of the  
24 United States shall conduct a study of the practices em-  
25 ployed by State and local governments, and subdivisions

1 thereof, in allocating and utilizing tax incentives provided  
2 pursuant to the Gulf Opportunity Zone Act of 2005 and  
3 this Act.

4 (b) SUBMISSION OF REPORT.—Not later than one  
5 year after the date of the enactment of this Act, the Comp-  
6 troller General shall submit a report on the findings of  
7 the study conducted under subsection (a) and shall include  
8 therein recommendations (if any) relating to such find-  
9 ings. The report shall be submitted to the Committee on  
10 Ways and Means of the House of Representatives and the  
11 Committee on Finance of the Senate.

12 (c) CONGRESSIONAL HEARINGS.—In the case that  
13 the report submitted under this section includes findings  
14 of significant fraud, waste or abuse, each Committee spec-  
15 ified in subsection (b) shall, within 60 days after the date  
16 the report is submitted under subsection (b), hold a public  
17 hearing to review such findings.

18 **Subpart C—Subchapter S Provisions**

19 **SEC. 8231. CAPITAL GAIN OF S CORPORATION NOT TREAT-**  
20 **ED AS PASSIVE INVESTMENT INCOME.**

21 (a) IN GENERAL.—Section 1362(d)(3) is amended by  
22 striking subparagraphs (B), (C), (D), (E), and (F) and  
23 inserting the following new subparagraphs:

1           “(B) GROSS RECEIPTS FROM THE SALES  
2           OF CERTAIN ASSETS.—For purposes of this  
3           paragraph—

4                   “(i) in the case of dispositions of cap-  
5                   ital assets (other than stock and securi-  
6                   ties), gross receipts from such dispositions  
7                   shall be taken into account only to the ex-  
8                   tent of the capital gain net income there-  
9                   from, and

10                   “(ii) in the case of sales or exchanges  
11                   of stock or securities, gross receipts shall  
12                   be taken into account only to the extent of  
13                   the gains therefrom.

14           “(C) PASSIVE INVESTMENT INCOME DE-  
15           FINED.—

16                   “(i) IN GENERAL.—Except as other-  
17                   wise provided in this subparagraph, the  
18                   term ‘passive investment income’ means  
19                   gross receipts derived from royalties, rents,  
20                   dividends, interest, and annuities.

21                   “(ii) EXCEPTION FOR INTEREST ON  
22                   NOTES FROM SALES OF INVENTORY.—The  
23                   term ‘passive investment income’ shall not  
24                   include interest on any obligation acquired  
25                   in the ordinary course of the corporation’s

1. trade or business from its sale of property  
2. described in section 1221(a)(1).

3. “(iii) TREATMENT OF CERTAIN LEND-  
4. ING OR FINANCE COMPANIES.—If the S  
5. corporation meets the requirements of sec-  
6. tion 542(c)(6) for the taxable year, the  
7. term ‘passive investment income’ shall not  
8. include gross receipts for the taxable year  
9. which are derived directly from the active  
10. and regular conduct of a lending or finance  
11. business (as defined in section 542(d)(1)).

12. “(iv) TREATMENT OF CERTAIN DIVI-  
13. DENDS.—If an S corporation holds stock  
14. in a C corporation meeting the require-  
15. ments of section 1504(a)(2), the term ‘pas-  
16. sive investment income’ shall not include  
17. dividends from such C corporation to the  
18. extent such dividends are attributable to  
19. the earnings and profits of such C corpora-  
20. tion derived from the active conduct of a  
21. trade or business.

22. “(v) EXCEPTION FOR BANKS, ETC.—  
23. In the case of a bank (as defined in section  
24. 581) or a depository institution holding  
25. company (as defined in section 3(w)(1) of

1 the Federal Deposit Insurance Act (12  
2 U.S.C. 1813(w)(1)), the term ‘passive in-  
3 vestment income’ shall not include—

4 “(I) interest income earned by  
5 such bank or company, or

6 “(II) dividends on assets required  
7 to be held by such bank or company,  
8 including stock in the Federal Reserve  
9 Bank, the Federal Home Loan Bank,  
10 or the Federal Agricultural Mortgage  
11 Bank or participation certificates  
12 issued by a Federal Intermediate  
13 Credit Bank.”.

14 (b) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 the date of the enactment of this Act.

17 **SEC. 8232. TREATMENT OF BANK DIRECTOR SHARES.**

18 (a) IN GENERAL.—Section 1361 (defining S corpora-  
19 tion) is amended by adding at the end the following new  
20 subsection:

21 “(f) RESTRICTED BANK DIRECTOR STOCK.—

22 “(1) IN GENERAL.—Restricted bank director  
23 stock shall not be taken into account as outstanding  
24 stock of the S corporation in applying this sub-  
25 chapter (other than section 1368(f)).

1           “(2) RESTRICTED BANK DIRECTOR STOCK.—

2           For purposes of this subsection, the term ‘restricted  
3           bank director stock’ means stock in a bank (as de-  
4           fined in section 581) or a depository institution  
5           holding company (as defined in section 3(w)(1) of  
6           the Federal Deposit Insurance Act (12 U.S.C.  
7           1813(w)(1)), if such stock—

8                   “(A) is required to be held by an individual  
9                   under applicable Federal or State law in order  
10                  to permit such individual to serve as a director,  
11                  and

12                  “(B) is subject to an agreement with such  
13                  bank or company (or a corporation which con-  
14                  trols (within the meaning of section 368(c))  
15                  such bank or company) pursuant to which the  
16                  holder is required to sell back such stock (at  
17                  the same price as the individual acquired such  
18                  stock) upon ceasing to hold the office of direc-  
19                  tor.

20           “(3) CROSS REFERENCE.—

                  “For treatment of certain distributions with respect to restricted bank director  
                  stock, see section 1368(f).”.

21           (b) DISTRIBUTIONS.—Section 1368 (relating to dis-  
22           tributions) is amended by adding at the end the following  
23           new subsection:

1       “(f) RESTRICTED BANK DIRECTOR STOCK.—If a di-  
2   rector receives a distribution (not in part or full payment  
3   in exchange for stock) from an S corporation with respect  
4   to any restricted bank director stock (as defined in section  
5   1361(f)), the amount of such distribution—

6           “(1) shall be includible in gross income of the  
7   director, and

8           “(2) shall be deductible by the corporation for  
9   the taxable year of such corporation in which or with  
10   which ends the taxable year in which such amount  
11   is included in the gross income of the director.”.

12       (c) EFFECTIVE DATES.—

13           (1) IN GENERAL.—The amendments made by  
14   this section shall apply to taxable years beginning  
15   after December 31, 2006.

16           (2) SPECIAL RULE FOR TREATMENT AS SECOND  
17   CLASS OF STOCK.—In the case of any taxable year  
18   beginning after December 31, 1996, restricted bank  
19   director stock (as defined in section 1361(f) of the  
20   Internal Revenue Code of 1986, as added by this  
21   section) shall not be taken into account in deter-  
22   mining whether an S corporation has more than 1  
23   class of stock.

1 **SEC. 8233. SPECIAL RULE FOR BANK REQUIRED TO**  
2 **CHANGE FROM THE RESERVE METHOD OF**  
3 **ACCOUNTING ON BECOMING S CORPORA-**  
4 **TION.**

5 (a) **IN GENERAL.**—Section 1361, as amended by this  
6 Act, is amended by adding at the end the following new  
7 subsection:

8 “(g) **SPECIAL RULE FOR BANK REQUIRED TO**  
9 **CHANGE FROM THE RESERVE METHOD OF ACCOUNTING**  
10 **ON BECOMING S CORPORATION.**—In the case of a bank  
11 which changes from the reserve method of accounting for  
12 bad debts described in section 585 or 593 for its first tax-  
13 able year for which an election under section 1362(a) is  
14 in effect, the bank may elect to take into account any ad-  
15 justments under section 481 by reason of such change for  
16 the taxable year immediately preceding such first taxable  
17 year.”.

18 (b) **EFFECTIVE DATE.**—The amendments made by  
19 this section shall apply to taxable years beginning after  
20 December 31, 2006.

21 **SEC. 8234. TREATMENT OF THE SALE OF INTEREST IN A**  
22 **QUALIFIED SUBCHAPTER S SUBSIDIARY.**

23 (a) **IN GENERAL.**—Subparagraph (C) of section  
24 1361(b)(3) (relating to treatment of terminations of quali-  
25 fied subchapter S subsidiary status) is amended—



1           (1) by striking “For purposes of this title,” and  
2           inserting the following:

3                   “(i) IN GENERAL.—For purposes of  
4                   this title,” and

5           (2) by inserting at the end the following new  
6           clause:

7                   “(ii) TERMINATION BY REASON OF  
8                   SALE OF STOCK.—If the failure to meet  
9                   the requirements of subparagraph (B) is  
10                  by reason of the sale of stock of a corpora-  
11                  tion which is a qualified subchapter S sub-  
12                  sidiary, the sale of such stock shall be  
13                  treated as if—

14                   “(I) the sale were a sale of an  
15                   undivided interest in the assets of  
16                   such corporation (based on the per-  
17                   centage of the corporation’s stock  
18                   sold), and

19                   “(II) the sale were followed by an  
20                   acquisition by such corporation of all  
21                   of its assets (and the assumption by  
22                   such corporation of all of its liabil-  
23                   ities) in a transaction to which section  
24                   351 applies.”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to taxable years beginning after  
3 December 31, 2006.

4 **SEC. 8235. ELIMINATION OF ALL EARNINGS AND PROFITS**  
5 **ATTRIBUTABLE TO PRE-1983 YEARS FOR CER-**  
6 **TAIN CORPORATIONS.**

7 In the case of a corporation which is—

- 8 (1) described in section 1311(a)(1) of the Small  
9 Business Job Protection Act of 1996, and  
10 (2) not described in section 1311(a)(2) of such  
11 Act,

12 the amount of such corporation's accumulated earnings  
13 and profits (for the first taxable year beginning after the  
14 date of the enactment of this Act) shall be reduced by an  
15 amount equal to the portion (if any) of such accumulated  
16 earnings and profits which were accumulated in any tax-  
17 able year beginning before January 1, 1983, for which  
18 such corporation was an electing small business corpora-  
19 tion under subchapter S of the Internal Revenue Code of  
20 1986.

1 **SEC. 8236. DEDUCTIBILITY OF INTEREST EXPENSE ON IN-**  
2 **DEBTEDNESS INCURRED BY AN ELECTING**  
3 **SMALL BUSINESS TRUST TO ACQUIRE S COR-**  
4 **PORATION STOCK.**

5 (a) **IN GENERAL.**—Subparagraph (C) of section  
6 641(c)(2) (relating to modifications) is amended by insert-  
7 ing after clause (iii) the following new clause:

8 “(iv) Any interest expense paid or ac-  
9 crued on indebtedness incurred to acquire  
10 stock in an S corporation.”.

11 (b) **EFFECTIVE DATE.**—The amendment made by  
12 this section shall apply to taxable years beginning after  
13 December 31, 2006.

14 **PART 2—REVENUE PROVISIONS**

15 **SEC. 8241. INCREASE IN AGE OF CHILDREN WHOSE UN-**  
16 **EARNED INCOME IS TAXED AS IF PARENT'S**  
17 **INCOME.**

18 (a) **IN GENERAL.**—Subparagraph (A) of section  
19 1(g)(2) (relating to child to whom subsection applies) is  
20 amended to read as follows:

21 “(A) such child—

22 “(i) has not attained age 18 before  
23 the close of the taxable year, or

24 “(ii)(I) has attained age 18 before the  
25 close of the taxable year and meets the age  
26 requirements of section 152(c)(3) (deter-

1           mined without regard to subparagraph (B)  
2           thereof), and

3                   “(II) whose earned income (as defined  
4           in section 911(d)(2)) for such taxable year  
5           does not exceed one-half of the amount of  
6           the individual’s support (within the mean-  
7           ing of section 152(c)(1)(D) after the appli-  
8           cation of section 152(f)(5) (without regard  
9           to subparagraph (A) thereof)) for such  
10          taxable year,”.

11       (b) CONFORMING AMENDMENT.—Subsection (g) of  
12 section 1 is amended by striking “MINOR” in the heading  
13 thereof.

14       (c) EFFECTIVE DATE.—The amendment made by  
15 this section shall apply to taxable years beginning after  
16 the date of the enactment of this Act.

17 **SEC. 8242. SUSPENSION OF CERTAIN PENALTIES AND IN-**  
18 **TEREST.**

19       (a) IN GENERAL.—Paragraphs (1)(A) and (3)(A) of  
20 section 6404(g) are each amended by striking “18-month  
21 period” and inserting “36-month period”.

22       (b) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to notices provided by the Sec-  
24 retary of the Treasury, or his delegate, after the date

1 which is 6 months after the date of the enactment of this  
2 Act.

3 **SEC. 8243. MODIFICATION OF COLLECTION DUE PROCESS**  
4 **PROCEDURES FOR EMPLOYMENT TAX LI-**  
5 **ABILITIES.**

6 (a) IN GENERAL.—Section 6330(f) (relating to jeop-  
7 ardy and State refund collection) is amended—

8 (1) by striking “; or” at the end of paragraph

9 (1) and inserting a comma,

10 (2) by adding “or” at the end of paragraph (2),

11 and

12 (3) by inserting after paragraph (2) the fol-  
13 lowing new paragraph:

14 “(3) the Secretary has served a disqualified em-  
15 ployment tax levy,”.

16 (b) DISQUALIFIED EMPLOYMENT TAX LEVY.—Sec-  
17 tion 6330 of such Code (relating to notice and opportunity  
18 for hearing before levy) is amended by adding at the end  
19 the following new subsection:

20 “(h) DISQUALIFIED EMPLOYMENT TAX LEVY.—For  
21 purposes of subsection (f), a disqualified employment tax  
22 levy is any levy in connection with the collection of employ-  
23 ment taxes for any taxable period if the person subject  
24 to the levy (or any predecessor thereof) requested a hear-  
25 ing under this section with respect to unpaid employment

1 taxes arising in the most recent 2-year period before the  
2 beginning of the taxable period with respect to which the  
3 levy is served. For purposes of the preceding sentence, the  
4 term 'employment taxes' means any taxes under chapter  
5 21, 22, 23, or 24."

6 (c) EFFECTIVE DATE.—The amendments made by  
7 this section shall apply to levies served on or after the date  
8 that is 120 days after the date of the enactment of this  
9 Act.

10 **SEC. 8244. PERMANENT EXTENSION OF IRS USER FEES.**

11 Section 7528 (relating to Internal Revenue Service  
12 user fees) is amended by striking subsection (c).

13 **SEC. 8245. INCREASE IN PENALTY FOR BAD CHECKS AND**  
14 **MONEY ORDERS.**

15 (a) IN GENERAL.—Section 6657 (relating to bad  
16 checks) is amended—

17 (1) by striking "\$750" and inserting "\$1,250",

18 and

19 (2) by striking "\$15" and inserting "\$25".

20 (b) EFFECTIVE DATE.—The amendments made by  
21 this section apply to checks or money orders received after  
22 the date of the enactment of this Act.

1 **SEC. 8246. UNDERSTATEMENT OF TAXPAYER LIABILITY BY**  
2 **RETURN PREPARERS.**

3 (a) APPLICATION OF RETURN PREPARER PENALTIES  
4 TO ALL TAX RETURNS.—

5 (1) DEFINITION OF TAX RETURN PREPARER.—

6 Paragraph (36) of section 7701(a) (relating to in-  
7 come tax preparer) is amended—

8 (A) by striking “income” each place it ap-  
9 pears in the heading and the text, and

10 (B) in subparagraph (A), by striking “sub-  
11 title A” each place it appears and inserting  
12 “this title”.

13 (2) CONFORMING AMENDMENTS.—

14 (A)(i) Section 6060 is amended by striking  
15 “**INCOME TAX RETURN PREPARERS**” in the  
16 heading and inserting “**TAX RETURN PRE-**  
17 **PARERS**”.

18 (ii) Section 6060(a) is amended—

19 (I) by striking “an income tax return  
20 preparer” each place it appears and insert-  
21 ing “a tax return preparer”,

22 (II) by striking “each income tax re-  
23 turn preparer” and inserting “each tax re-  
24 turn preparer”, and

1 (III) by striking “another income tax  
2 return preparer” and inserting “another  
3 tax return preparer”.

4 (iii) The item relating to section 6060 in  
5 the table of sections for subpart F of part III  
6 of subchapter A of chapter 61 is amended by  
7 striking “income tax return preparers” and in-  
8 serting “tax return preparers”.

9 (iv) Subpart F of part III of subchapter A  
10 of chapter 61 is amended by striking “**Income**  
11 **Tax Return Preparers**” in the heading  
12 and inserting “**Tax Return Preparers**”.

13 (v) The item relating to subpart F in the  
14 table of subparts for part III of subchapter A  
15 of chapter 61 is amended by striking “income  
16 tax return preparers” and inserting “tax return  
17 preparers”.

18 (B) Section 6103(k)(5) is amended—

19 (i) by striking “income tax return pre-  
20 parer” each place it appears and inserting  
21 “tax return preparer”, and

22 (ii) by striking “income tax return  
23 preparers” each place it appears and in-  
24 serting “tax return preparers”.

25 (C)(i) Section 6107 is amended—



1 (I) by striking “**INCOME TAX RE-**  
2 **TURN PREPARER**” in the heading and in-  
3 serting “**TAX RETURN PREPARER**”,

4 (II) by striking “an income tax return  
5 preparer” each place it appears in sub-  
6 sections (a) and (b) and inserting “a tax  
7 return preparer”,

8 (III) by striking “**INCOME TAX RE-**  
9 **TURN PREPARER**” in the heading for sub-  
10 section (b) and inserting “**TAX RETURN**  
11 **PREPARER**”, and

12 (IV) in subsection (c), by striking “in-  
13 come tax return preparers” and inserting  
14 “tax return preparers”.

15 (ii) The item relating to section 6107 in  
16 the table of sections for subchapter B of chap-  
17 ter 61 is amended by striking “Income tax re-  
18 turn preparer” and inserting “Tax return pre-  
19 parer”.

20 (D) Section 6109(a)(4) is amended—

21 (i) by striking “an income tax return  
22 preparer” and inserting “a tax return pre-  
23 parer”, and

1 (ii) by striking “INCOME RETURN  
2 PREPARER” in the heading and inserting  
3 “TAX RETURN PREPARER”.

4 (E) Section 6503(k)(4) is amended by  
5 striking “Income tax return preparers” and in-  
6 serting “Tax return preparers”.

7 (F)(i) Section 6694 is amended—

8 (I) by striking “**INCOME TAX RE-**  
9 **TURN PREPARER**” in the heading and in-  
10 serting “**TAX RETURN PREPARER**”,

11 (II) by striking “an income tax return  
12 preparer” each place it appears and insert-  
13 ing “a tax return preparer”,

14 (III) in subsection (c)(2), by striking  
15 “the income tax return preparer” and in-  
16 serting “the tax return preparer”,

17 (IV) in subsection (e), by striking  
18 “subtitle A” and inserting “this title”, and

19 (V) in subsection (f), by striking “in-  
20 come tax return preparer” and inserting  
21 “tax return preparer”.

22 (ii) The item relating to section 6694 in  
23 the table of sections for part I of subchapter B  
24 of chapter 68 is amended by striking “income

1 tax return preparer” and inserting “tax return  
2 preparer”.

3 (G)(i) Section 6695 is amended—

4 (I) by striking “**INCOME**” in the  
5 heading, and

6 (II) by striking “an income tax return  
7 preparer” each place it appears and insert-  
8 ing “a tax return preparer”.

9 (ii) Section 6695(f) is amended—

10 (I) by striking “subtitle A” and in-  
11 serting “this title”, and

12 (II) by striking “the income tax re-  
13 turn preparer” and inserting “the tax re-  
14 turn preparer”.

15 (iii) The item relating to section 6695 in  
16 the table of sections for part I of subchapter B  
17 of chapter 68 is amended by striking “income”.

18 (H) Section 6696(e) is amended by strik-  
19 ing “subtitle A” each place it appears and in-  
20 serting “this title”.

21 (I)(i) Section 7407 is amended—

22 (I) by striking “**INCOME TAX RE-**  
23 **TURN PREPARERS**” in the heading and  
24 inserting “**TAX RETURN PREPARERS**”,

1 (II) by striking “an income tax return  
2 preparer” each place it appears and insert-  
3 ing “a tax return preparer”,

4 (III) by striking “income tax pre-  
5 parer” both places it appears in subsection  
6 (a) and inserting “tax return preparer”,  
7 and

8 (IV) by striking “income tax return”  
9 in subsection (a) and inserting “tax re-  
10 turn”.

11 (ii) The item relating to section 7407 in  
12 the table of sections for subchapter A of chap-  
13 ter 76 is amended by striking “income tax re-  
14 turn preparers” and inserting “tax return pre-  
15 parers”.

16 (J)(i) Section 7427 is amended—

17 (I) by striking “**INCOME TAX RE-**  
18 **TURN PREPARERS**” in the heading and  
19 inserting “**TAX RETURN PREPARERS**”,  
20 and

21 (II) by striking “an income tax return  
22 preparer” and inserting “a tax return pre-  
23 parer”.

1 (ii) The item relating to section 7427 in  
2 the table of sections for subchapter B of chap-  
3 ter 76 is amended to read as follows:

“Sec. 7427. Tax return preparers.”.

4 (b) MODIFICATION OF PENALTY FOR UNDERSTATE-  
5 MENT OF TAXPAYER’S LIABILITY BY TAX RETURN PRE-  
6 PARER.—Subsections (a) and (b) of section 6694 are  
7 amended to read as follows:

8 “(a) UNDERSTATEMENT DUE TO UNREASONABLE  
9 POSITIONS.—

10 “(1) IN GENERAL.—Any tax return preparer  
11 who prepares any return or claim for refund with re-  
12 spect to which any part of an understatement of li-  
13 ability is due to a position described in paragraph  
14 (2) shall pay a penalty with respect to each such re-  
15 turn or claim in an amount equal to the greater of—

16 “(A) \$1,000, or

17 “(B) 50 percent of the income derived (or  
18 to be derived) by the tax return preparer with  
19 respect to the return or claim.

20 “(2) UNREASONABLE POSITION.—A position is  
21 described in this paragraph if—

22 “(A) the tax return preparer knew (or rea-  
23 sonably should have known) of the position,

1           “(B) there was not a reasonable belief that  
2           the position would more likely than not be sus-  
3           tained on its merits, and

4           “(C)(i) the position was not disclosed as  
5           provided in section 6662(d)(2)(B)(ii), or

6           “(ii) there was no reasonable basis for the  
7           position.

8           “(3) REASONABLE CAUSE EXCEPTION.—No  
9           penalty shall be imposed under this subsection if it  
10          is shown that there is reasonable cause for the un-  
11          derstatement and the tax return preparer acted in  
12          good faith.

13          “(b) UNDERSTATEMENT DUE TO WILLFUL OR  
14          RECKLESS CONDUCT.—

15          “(1) IN GENERAL.—Any tax return preparer  
16          who prepares any return or claim for refund with re-  
17          spect to which any part of an understatement of li-  
18          ability is due to a conduct described in paragraph  
19          (2) shall pay a penalty with respect to each such re-  
20          turn or claim in an amount equal to the greater of—

21                  “(A) \$5,000, or

22                  “(B) 50 percent of the income derived (or  
23                  to be derived) by the tax return preparer with  
24                  respect to the return or claim.

1           “(2) WILLFUL OR RECKLESS CONDUCT.—Con-  
2       duct described in this paragraph is conduct by the  
3       tax return preparer which is—

4           “(A) a willful attempt in any manner to  
5       understate the liability for tax on the return or  
6       claim, or

7           “(B) a reckless or intentional disregard of  
8       rules or regulations.

9           “(3) REDUCTION IN PENALTY.—The amount of  
10      any penalty payable by any person by reason of this  
11      subsection for any return or claim for refund shall  
12      be reduced by the amount of the penalty paid by  
13      such person by reason of subsection (a).”.

14      (c) EFFECTIVE DATE.—The amendments made by  
15      this section shall apply to returns prepared after the date  
16      of the enactment of this Act.

17      **SEC. 8247. PENALTY FOR FILING ERRONEOUS REFUND**  
18                                      **CLAIMS.**

19      (a) IN GENERAL.—Part I of subchapter B of chapter  
20      68 (relating to assessable penalties) is amended by insert-  
21      ing after section 6675 the following new section:

22      **“SEC. 6676. ERRONEOUS CLAIM FOR REFUND OR CREDIT.**

23           “(a) CIVIL PENALTY.—If a claim for refund or credit  
24      with respect to income tax (other than a claim for a refund  
25      or credit relating to the earned income credit under section

1 32) is made for an excessive amount, unless it is shown  
2 that the claim for such excessive amount has a reasonable  
3 basis, the person making such claim shall be liable for a  
4 penalty in an amount equal to 20 percent of the excessive  
5 amount.

6 “(b) EXCESSIVE AMOUNT.—For purposes of this sec-  
7 tion, the term ‘excessive amount’ means in the case of any  
8 person the amount by which the amount of the claim for  
9 refund or credit for any taxable year exceeds the amount  
10 of such claim allowable under this title for such taxable  
11 year.

12 “(c) COORDINATION WITH OTHER PENALTIES.—  
13 This section shall not apply to any portion of the excessive  
14 amount of a claim for refund or credit which is subject  
15 to a penalty imposed under part II of subchapter A of  
16 chapter 68.”.

17 (b) CONFORMING AMENDMENT.—The table of sec-  
18 tions for part I of subchapter B of chapter 68 is amended  
19 by inserting after the item relating to section 6675 the  
20 following new item:

“Sec. 6676. Erroneous claim for refund or credit.”.

21 (c) EFFECTIVE DATE.—The amendments made by  
22 this section shall apply to any claim filed or submitted  
23 after the date of the enactment of this Act.



1   **SEC. 8248. TIME FOR PAYMENT OF CORPORATE ESTIMATED**  
2                   **TAXES.**

3       Subparagraph (B) of section 401(1) of the Tax In-  
4   crease Prevention and Reconciliation Act of 2005 is  
5   amended by striking “106.25 percent” and inserting  
6   “114.25 percent”.

7                   **Subtitle C—Small Business**  
8                   **Incentives**

9   **SEC. 8301. SHORT TITLE.**

10       This subtitle may be cited as the “Small Business  
11   and Work Opportunity Act of 2007”.

12   **SEC. 8302. ENHANCED COMPLIANCE ASSISTANCE FOR**  
13                   **SMALL BUSINESSES.**

14       (a) **IN GENERAL.**—Section 212 of the Small Business  
15   Regulatory Enforcement Fairness Act of 1996 (5 U.S.C.  
16   601 note) is amended by striking subsection (a) and in-  
17   serting the following:

18       “(a) **COMPLIANCE GUIDE.**—

19               “(1) **IN GENERAL.**—For each rule or group of  
20       related rules for which an agency is required to pre-  
21       pare a final regulatory flexibility analysis under sec-  
22       tion 605(b) of title 5, United States Code, the agen-  
23       cy shall publish 1 or more guides to assist small en-  
24       tities in complying with the rule and shall entitle  
25       such publications ‘small entity compliance guides’.

1           “(2) PUBLICATION OF GUIDES.—The publica-  
2           tion of each guide under this subsection shall  
3           include—

4                   “(A) the posting of the guide in an easily  
5                   identified location on the website of the agency;  
6                   and

7                   “(B) distribution of the guide to known in-  
8                   dustry contacts, such as small entities, associa-  
9                   tions, or industry leaders affected by the rule.

10           “(3) PUBLICATION DATE.—An agency shall  
11           publish each guide (including the posting and dis-  
12           tribution of the guide as described under paragraph  
13           (2))—

14                   “(A) on the same date as the date of publi-  
15                   cation of the final rule (or as soon as possible  
16                   after that date); and

17                   “(B) not later than the date on which the  
18                   requirements of that rule become effective.

19           “(4) COMPLIANCE ACTIONS.—

20                   “(A) IN GENERAL.—Each guide shall ex-  
21                   plain the actions a small entity is required to  
22                   take to comply with a rule.

23                   “(B) EXPLANATION.—The explanation  
24                   under subparagraph (A)—

1                   “(i) shall include a description of ac-  
2                   tions needed to meet the requirements of a  
3                   rule, to enable a small entity to know when  
4                   such requirements are met; and

5                   “(ii) if determined appropriate by the  
6                   agency, may include a description of pos-  
7                   sible procedures, such as conducting tests,  
8                   that may assist a small entity in meeting  
9                   such requirements, except that, compliance  
10                  with any procedures described pursuant to  
11                  this section does not establish compliance  
12                  with the rule, or establish a presumption  
13                  or inference of such compliance.

14                  “(C) PROCEDURES.—Procedures described  
15                  under subparagraph (B)(ii)—

16                         “(i) shall be suggestions to assist  
17                         small entities; and

18                         “(ii) shall not be additional require-  
19                         ments, or diminish requirements, relating  
20                         to the rule.

21                  “(5) AGENCY PREPARATION OF GUIDES.—The  
22                  agency shall, in its sole discretion, taking into ac-  
23                  count the subject matter of the rule and the lan-  
24                  guage of relevant statutes, ensure that the guide is  
25                  written using sufficiently plain language likely to be

1 understood by affected small entities. Agencies may  
2 prepare separate guides covering groups or classes of  
3 similarly affected small entities and may cooperate  
4 with associations of small entities to develop and dis-  
5 tribute such guides. An agency may prepare guides  
6 and apply this section with respect to a rule or a  
7 group of related rules.

8 “(6) REPORTING.—Not later than 1 year after  
9 the date of enactment of the Fair Minimum Wage  
10 Act of 2007, and annually thereafter, the head of  
11 each agency shall submit a report to the Committee  
12 on Small Business and Entrepreneurship of the Sen-  
13 ate, the Committee on Small Business of the House  
14 of Representatives, and any other committee of rel-  
15 evant jurisdiction describing the status of the agen-  
16 cy’s compliance with paragraphs (1) through (5).”.

17 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
18 Section 211(3) of the Small Business Regulatory Enforce-  
19 ment Fairness Act of 1996 (5 U.S.C. 601 note) is amend-  
20 ed by inserting “and entitled” after “designated”.

21 **SEC. 8303. SMALL BUSINESS CHILD CARE GRANT PRO-**  
22 **GRAM.**

23 (a) ESTABLISHMENT.—The Secretary of Health and  
24 Human Services (referred to in this section as the “Sec-  
25 retary”) shall establish a program to award grants to

1 States, on a competitive basis, to assist States in providing  
2 funds to encourage the establishment and operation of em-  
3 ployer-operated child care programs.

4 (b) APPLICATION.—To be eligible to receive a grant  
5 under this section, a State shall prepare and submit to  
6 the Secretary an application at such time, in such manner,  
7 and containing such information as the Secretary may re-  
8 quire, including an assurance that the funds required  
9 under subsection (e) will be provided.

10 (c) AMOUNT AND PERIOD OF GRANT.—The Sec-  
11 retary shall determine the amount of a grant to a State  
12 under this section based on the population of the State  
13 as compared to the population of all States receiving  
14 grants under this section. The Secretary shall make the  
15 grant for a period of 3 years.

16 (d) USE OF FUNDS.—

17 (1) IN GENERAL.—A State shall use amounts  
18 provided under a grant awarded under this section  
19 to provide assistance to small businesses (or con-  
20 sortia formed in accordance with paragraph (3)) lo-  
21 cated in the State to enable the small businesses (or  
22 consortia) to establish and operate child care pro-  
23 grams. Such assistance may include—

24 (A) technical assistance in the establish-  
25 ment of a child care program;

1 (B) assistance for the startup costs related  
2 to a child care program;

3 (C) assistance for the training of child care  
4 providers;

5 (D) scholarships for low-income wage earn-  
6 ers;

7 (E) the provision of services to care for  
8 sick children or to provide care to school-aged  
9 children;

10 (F) the entering into of contracts with  
11 local resource and referral organizations or local  
12 health departments;

13 (G) assistance for care for children with  
14 disabilities;

15 (H) payment of expenses for renovation or  
16 operation of a child care facility; or

17 (I) assistance for any other activity deter-  
18 mined appropriate by the State.

19 (2) APPLICATION.—In order for a small busi-  
20 ness or consortium to be eligible to receive assistance  
21 from a State under this section, the small business  
22 involved shall prepare and submit to the State an  
23 application at such time, in such manner, and con-  
24 taining such information as the State may require.

25 (3) PREFERENCE.—

1 (A) IN GENERAL.—In providing assistance  
2 under this section, a State shall give priority to  
3 an applicant that desires to form a consortium  
4 to provide child care in a geographic area with-  
5 in the State where such care is not generally  
6 available or accessible.

7 (B) CONSORTIUM.—For purposes of sub-  
8 paragraph (A), a consortium shall be made up  
9 of 2 or more entities that shall include small  
10 businesses and that may include large busi-  
11 nesses, nonprofit agencies or organizations,  
12 local governments, or other appropriate entities.

13 (4) LIMITATIONS.—With respect to grant funds  
14 received under this section, a State may not provide  
15 in excess of \$500,000 in assistance from such funds  
16 to any single applicant.

17 (e) MATCHING REQUIREMENT.—To be eligible to re-  
18 ceive a grant under this section, a State shall provide as-  
19 surances to the Secretary that, with respect to the costs  
20 to be incurred by a covered entity receiving assistance in  
21 carrying out activities under this section, the covered enti-  
22 ty will make available (directly or through donations from  
23 public or private entities) non-Federal contributions to  
24 such costs in an amount equal to—

1           (1) for the first fiscal year in which the covered  
2           entity receives such assistance, not less than 50 per-  
3           cent of such costs (\$1 for each \$1 of assistance pro-  
4           vided to the covered entity under the grant);

5           (2) for the second fiscal year in which the cov-  
6           ered entity receives such assistance, not less than  
7           66 $\frac{2}{3}$  percent of such costs (\$2 for each \$1 of assist-  
8           ance provided to the covered entity under the grant);  
9           and

10          (3) for the third fiscal year in which the covered  
11          entity receives such assistance, not less than 75 per-  
12          cent of such costs (\$3 for each \$1 of assistance pro-  
13          vided to the covered entity under the grant).

14          (f) REQUIREMENTS OF PROVIDERS.—To be eligible  
15          to receive assistance under a grant awarded under this  
16          section, a child care provider—

17               (1) who receives assistance from a State shall  
18               comply with all applicable State and local licensing  
19               and regulatory requirements and all applicable  
20               health and safety standards in effect in the State;  
21               and

22               (2) who receives assistance from an Indian tribe  
23               or tribal organization shall comply with all applica-  
24               ble regulatory standards.



1 (g) STATE-LEVEL ACTIVITIES.—A State may not re-  
2 tain more than 3 percent of the amount described in sub-  
3 section (c) for State administration and other State-level  
4 activities.

5 (h) ADMINISTRATION.—

6 (1) STATE RESPONSIBILITY.—A State shall  
7 have responsibility for administering a grant award-  
8 ed for the State under this section and for moni-  
9 toring covered entities that receive assistance under  
10 such grant.

11 (2) AUDITS.—A State shall require each cov-  
12 ered entity receiving assistance under the grant  
13 awarded under this section to conduct an annual  
14 audit with respect to the activities of the covered en-  
15 tity. Such audits shall be submitted to the State.

16 (3) MISUSE OF FUNDS.—

17 (A) REPAYMENT.—If the State determines,  
18 through an audit or otherwise, that a covered  
19 entity receiving assistance under a grant award-  
20 ed under this section has misused the assist-  
21 ance, the State shall notify the Secretary of the  
22 misuse. The Secretary, upon such a notifica-  
23 tion, may seek from such a covered entity the  
24 repayment of an amount equal to the amount  
25 of any such misused assistance plus interest.

1 (B) APPEALS PROCESS.—The Secretary  
2 shall by regulation provide for an appeals proc-  
3 ess with respect to repayments under this para-  
4 graph.

5 (i) REPORTING REQUIREMENTS.—

6 (1) 2-YEAR STUDY.—

7 (A) IN GENERAL.—Not later than 2 years  
8 after the date on which the Secretary first  
9 awards grants under this section, the Secretary  
10 shall conduct a study to determine—

11 (i) the capacity of covered entities to  
12 meet the child care needs of communities  
13 within States;

14 (ii) the kinds of consortia that are  
15 being formed with respect to child care at  
16 the local level to carry out programs fund-  
17 ed under this section; and

18 (iii) who is using the programs funded  
19 under this section and the income levels of  
20 such individuals.

21 (B) REPORT.—Not later than 28 months  
22 after the date on which the Secretary first  
23 awards grants under this section, the Secretary  
24 shall prepare and submit to the appropriate  
25 committees of Congress a report on the results

1 of the study conducted in accordance with sub-  
2 paragraph (A).

3 (2) 4-YEAR STUDY.—

4 (A) IN GENERAL.—Not later than 4 years  
5 after the date on which the Secretary first  
6 awards grants under this section, the Secretary  
7 shall conduct a study to determine the number  
8 of child care facilities that are funded through  
9 covered entities that received assistance through  
10 a grant awarded under this section and that re-  
11 main in operation, and the extent to which such  
12 facilities are meeting the child care needs of the  
13 individuals served by such facilities.

14 (B) REPORT.—Not later than 52 months  
15 after the date on which the Secretary first  
16 awards grants under this section, the Secretary  
17 shall prepare and submit to the appropriate  
18 committees of Congress a report on the results  
19 of the study conducted in accordance with sub-  
20 paragraph (A).

21 (j) DEFINITIONS.—In this section:

22 (1) COVERED ENTITY.—The term “covered en-  
23 tity” means a small business or a consortium formed  
24 in accordance with subsection (d)(3).

1           (2) INDIAN COMMUNITY.—The term “Indian  
2       community” means a community served by an In-  
3       dian tribe or tribal organization.

4           (3) INDIAN TRIBE; TRIBAL ORGANIZATION.—  
5       The terms “Indian tribe” and “tribal organization”  
6       have the meanings given the terms in section 658P  
7       of the Child Care and Development Block Grant Act  
8       of 1990 (42 U.S.C. 9858n).

9           (4) SMALL BUSINESS.—The term “small busi-  
10      ness” means an employer who employed an average  
11      of at least 2 but not more than 50 employees on the  
12      business days during the preceding calendar year.

13          (5) STATE.—The term “State” has the mean-  
14      ing given the term in section 658P of the Child Care  
15      and Development Block Grant Act of 1990 (42  
16      U.S.C. 9858n).

17      (k) APPLICATION TO INDIAN TRIBES AND TRIBAL  
18      ORGANIZATIONS.—In this section:

19          (1) IN GENERAL.—Except as provided in sub-  
20      section (f)(1), and in paragraphs (2) and (3), the  
21      term “State” includes an Indian tribe or tribal orga-  
22      nization.

23          (2) GEOGRAPHIC REFERENCES.—The term  
24      “State” includes an Indian community in sub-  
25      sections (c) (the second and third place the term ap-

1       pears), (d)(1) (the second place the term appears),  
2       (d)(3)(A) (the second place the term appears), and  
3       (i)(1)(A)(i).

4           (3) STATE-LEVEL ACTIVITIES.—The term  
5       “State-level activities” includes activities at the trib-  
6       al level.

7       (1) AUTHORIZATION OF APPROPRIATIONS.—

8           (1) IN GENERAL.—There is authorized to be  
9       appropriated to carry out this section, \$50,000,000  
10      for the period of fiscal years 2008 through 2012.

11          (2) STUDIES AND ADMINISTRATION.—With re-  
12      spect to the total amount appropriated for such pe-  
13      riod in accordance with this subsection, not more  
14      than \$2,500,000 of that amount may be used for ex-  
15      penditures related to conducting studies required  
16      under, and the administration of, this section.

17          (m) TERMINATION OF PROGRAM.—The program es-  
18      tablished under subsection (a) shall terminate on Sep-  
19      tember 30, 2012.

20      **SEC. 8304. STUDY OF UNIVERSAL USE OF ADVANCE PAY-**  
21                      **MENT OF EARNED INCOME CREDIT.**

22      Not later than 180 days after the date of the enact-  
23      ment of this Act, the Secretary of the Treasury shall re-  
24      port to Congress on a study of the benefits, costs, risks,  
25      and barriers to workers and to businesses (with a special

1 emphasis on small businesses) if the advance earned in-  
2 come tax credit program (under section 3507 of the Inter-  
3 nal Revenue Code of 1986) included all recipients of the  
4 earned income tax credit (under section 32 of such Code)  
5 and what steps would be necessary to implement such in-  
6 clusion.

7 **SEC. 8305. RENEWAL GRANTS FOR WOMEN'S BUSINESS**  
8 **CENTERS.**

9 (a) IN GENERAL.—Section 29 of the Small Business  
10 Act (15 U.S.C. 656) is amended by adding at the end the  
11 following:

12 “(m) CONTINUED FUNDING FOR CENTERS.—

13 “(1) IN GENERAL.—A nonprofit organization  
14 described in paragraph (2) shall be eligible to re-  
15 ceive, subject to paragraph (3), a 3-year grant under  
16 this subsection.

17 “(2) APPLICABILITY.—A nonprofit organization  
18 described in this paragraph is a nonprofit organiza-  
19 tion that has received funding under subsection (b)  
20 or (l).

21 “(3) APPLICATION AND APPROVAL CRITERIA.—

22 “(A) CRITERIA.—Subject to subparagraph  
23 (B), the Administrator shall develop and pub-  
24 lish criteria for the consideration and approval

1 of applications by nonprofit organizations under  
2 this subsection.

3 “(B) CONTENTS.—Except as otherwise  
4 provided in this subsection, the conditions for  
5 participation in the grant program under this  
6 subsection shall be the same as the conditions  
7 for participation in the program under sub-  
8 section (1), as in effect on the date of enactment  
9 of this Act.

10 “(C) NOTIFICATION.—Not later than 60  
11 days after the date of the deadline to submit  
12 applications for each fiscal year, the Adminis-  
13 trator shall approve or deny any application  
14 under this subsection and notify the applicant  
15 for each such application.

16 “(4) AWARD OF GRANTS.—

17 “(A) IN GENERAL.—Subject to the avail-  
18 ability of appropriations, the Administrator  
19 shall make a grant for the Federal share of the  
20 cost of activities described in the application to  
21 each applicant approved under this subsection.

22 “(B) AMOUNT.—A grant under this sub-  
23 section shall be for not more than \$150,000, for  
24 each year of that grant.

1           “(C) FEDERAL SHARE.—The Federal  
2 share under this subsection shall be not more  
3 than 50 percent.

4           “(D) PRIORITY.—In allocating funds made  
5 available for grants under this section, the Ad-  
6 ministrator shall give applications under this  
7 subsection or subsection (l) priority over first-  
8 time applications under subsection (b).

9           “(5) RENEWAL.—

10           “(A) IN GENERAL.—The Administrator  
11 may renew a grant under this subsection for  
12 additional 3-year periods, if the nonprofit orga-  
13 nization submits an application for such re-  
14 newal at such time, in such manner, and ac-  
15 companied by such information as the Adminis-  
16 trator may establish.

17           “(B) UNLIMITED RENEWALS.—There shall  
18 be no limitation on the number of times a grant  
19 may be renewed under subparagraph (A).

20           “(n) PRIVACY REQUIREMENTS.—

21           “(1) IN GENERAL.—A women’s business center  
22 may not disclose the name, address, or telephone  
23 number of any individual or small business concern  
24 receiving assistance under this section without the



1 consent of such individual or small business concern,  
2 unless—

3 “(A) the Administrator is ordered to make  
4 such a disclosure by a court in any civil or  
5 criminal enforcement action initiated by a Fed-  
6 eral or State agency; or

7 “(B) the Administrator considers such a  
8 disclosure to be necessary for the purpose of  
9 conducting a financial audit of a women’s busi-  
10 ness center, but a disclosure under this sub-  
11 paragraph shall be limited to the information  
12 necessary for such audit.

13 “(2) ADMINISTRATION USE OF INFORMATION.—

14 This subsection shall not—

15 “(A) restrict Administration access to pro-  
16 gram activity data; or

17 “(B) prevent the Administration from  
18 using client information (other than the infor-  
19 mation described in subparagraph (A)) to con-  
20 duct client surveys.

21 “(3) REGULATIONS.—The Administrator shall  
22 issue regulations to establish standards for requiring  
23 disclosures during a financial audit under paragraph  
24 (1)(B).”.

1 (b) REPEAL.—Section 29(l) of the Small Business  
2 Act (15 U.S.C. 656(l)) is repealed effective October 1 of  
3 the first full fiscal year after the date of enactment of this  
4 Act.

5 (c) TRANSITIONAL RULE.—Notwithstanding any  
6 other provision of law, a grant or cooperative agreement  
7 that was awarded under subsection (l) of section 29 of  
8 the Small Business Act (15 U.S.C. 656), on or before the  
9 day before the date described in subsection (b) of this sec-  
10 tion, shall remain in full force and effect under the terms,  
11 and for the duration, of such grant or agreement.

12 **SEC. 8306. REPORTS ON ACQUISITIONS OF ARTICLES, MA-**  
13 **TERIALS, AND SUPPLIES MANUFACTURED**  
14 **OUTSIDE THE UNITED STATES.**

15 Section 2 of the Buy American Act (41 U.S.C. 10a)  
16 is amended—

17 (1) by striking “Notwithstanding” and insert-  
18 ing the following:

19 “(a) IN GENERAL.—Notwithstanding”; and

20 (2) by adding at the end the following:

21 “(b) REPORTS.—

22 “(1) IN GENERAL.—Not later than 180 days  
23 after the end of each of fiscal years 2007 through  
24 2011, the head of each Federal agency shall submit  
25 to the Committee on Homeland Security and Gov-

1       ernmental Affairs of the Senate and the Committee  
2       on Oversight and Government Reform of the House  
3       of Representatives a report on the amount of the ac-  
4       quisitions made by the agency in that fiscal year of  
5       articles, materials, or supplies purchased from enti-  
6       ties that manufacture the articles, materials, or sup-  
7       plies outside of the United States.

8           “(2) CONTENTS OF REPORT.—The report re-  
9       quired by paragraph (1) shall separately include, for  
10      the fiscal year covered by such report—

11           “(A) the dollar value of any articles, mate-  
12      rials, or supplies that were manufactured out-  
13      side the United States;

14           “(B) an itemized list of all waivers granted  
15      with respect to such articles, materials, or sup-  
16      plies under this Act, and a citation to the trea-  
17      ty, international agreement, or other law under  
18      which each waiver was granted;

19           “(C) if any articles, materials, or supplies  
20      were acquired from entities that manufacture  
21      articles, materials, or supplies outside the  
22      United States, the specific exception under this  
23      section that was used to purchase such articles,  
24      materials, or supplies; and

25           “(D) a summary of—

1                   “(i) the total procurement funds ex-  
2                   pended on articles, materials, and supplies  
3                   manufactured inside the United States;  
4                   and

5                   “(ii) the total procurement funds ex-  
6                   pended on articles, materials, and supplies  
7                   manufactured outside the United States.

8                   “(3) PUBLIC AVAILABILITY.—The head of each  
9                   Federal agency submitting a report under paragraph  
10                  (1) shall make the report publicly available to the  
11                  maximum extent practicable.

12                  “(4) EXCEPTION FOR INTELLIGENCE COMMU-  
13                  NITY.—This subsection shall not apply to acqui-  
14                  sitions made by an agency, or component thereof, that  
15                  is an element of the intelligence community as speci-  
16                  fied in, or designated under, section 3(4) of the Na-  
17                  tional Security Act of 1947 (50 U.S.C. 401a(4)).”.

18                  **TITLE IX—AGRICULTURAL**  
19                  **ASSISTANCE**

20                  **SEC. 9001. CROP DISASTER ASSISTANCE.**

21                  (a) ASSISTANCE AVAILABLE.—There are hereby ap-  
22                  propriated to the Secretary of Agriculture such sums as  
23                  are necessary, to remain available until expended, to make  
24                  emergency financial assistance available to producers on  
25                  a farm that incurred qualifying quantity or quality losses

1 for the 2005, 2006, or 2007 crop, due to damaging weath-  
2 er or any related condition (including losses due to crop  
3 diseases, insects, and delayed planting), as determined by  
4 the Secretary. However, to be eligible for assistance, the  
5 crop subject to the loss must have been planted before  
6 February 28, 2007, or, in the case of prevented planting  
7 or other total loss, would have been planted before Feb-  
8 ruary 28, 2007, in the absence of the damaging weather  
9 or any related condition.

10 (b) ELECTION OF CROP YEAR.—If a producer in-  
11 curred qualifying crop losses in more than one of the  
12 2005, 2006, or 2007 crop years, the producer shall elect  
13 to receive assistance under this section for losses incurred  
14 in only one of such crop years. The producer may not re-  
15 ceive assistance under this section for more than one crop  
16 year.

17 (c) ADMINISTRATION.—

18 (1) IN GENERAL.—Except as provided in para-  
19 graph (2), the Secretary of Agriculture shall make  
20 assistance available under this section in the same  
21 manner as provided under section 815 of the Agri-  
22 culture, Rural Development, Food and Drug Admin-  
23 istration and Related Agencies Appropriations Act,  
24 2001 (Public Law 106–387; 114 Stat. 1549A–55),  
25 including using the same loss thresholds for quantity

1 and economic losses as were used in administering  
2 that section, except that the payment rate shall be  
3 42 percent of the established price, instead of 65  
4 percent.

5 (2) LOSS THRESHOLDS FOR QUALITY  
6 LOSSES.—In the case of a payment for quality loss  
7 for a crop under subsection (a), the loss thresholds  
8 for quality loss for the crop shall be determined  
9 under subsection (d).

10 (d) QUALITY LOSSES.—

11 (1) IN GENERAL.—Subject to paragraph (3),  
12 the amount of a payment made to producers on a  
13 farm for a quality loss for a crop under subsection  
14 (a) shall be equal to the amount obtained by  
15 multiplying—

16 (A) 65 percent of the payment quantity de-  
17 termined under paragraph (2); by

18 (B) 42 percent of the payment rate deter-  
19 mined under paragraph (3).

20 (2) PAYMENT QUANTITY.—For the purpose of  
21 paragraph (1)(A), the payment quantity for quality  
22 losses for a crop of a commodity on a farm shall  
23 equal the lesser of—

1 (A) the actual production of the crop af-  
2 fected by a quality loss of the commodity on the  
3 farm; or

4 (B) the quantity of expected production of  
5 the crop affected by a quality loss of the com-  
6 modity on the farm, using the formula used by  
7 the Secretary of Agriculture to determine quan-  
8 tity losses for the crop of the commodity under  
9 subsection (a).

10 (3) PAYMENT RATE.—For the purpose of para-  
11 graph (1)(B) and in accordance with paragraphs (5)  
12 and (6), the payment rate for quality losses for a  
13 crop of a commodity on a farm shall be equal to the  
14 difference between—

15 (A) the per unit market value that the  
16 units of the crop affected by the quality loss  
17 would have had if the crop had not suffered a  
18 quality loss; and

19 (B) the per unit market value of the units  
20 of the crop affected by the quality loss.

21 (4) ELIGIBILITY.—For producers on a farm to  
22 be eligible to obtain a payment for a quality loss for  
23 a crop under subsection (a), the amount obtained by  
24 multiplying the per unit loss determined under para-  
25 graph (1) by the number of units affected by the

1       quality loss shall be at least 25 percent of the value  
2       that all affected production of the crop would have  
3       had if the crop had not suffered a quality loss.

4           (5) MARKETING CONTRACTS.—In the case of  
5       any production of a commodity that is sold pursuant  
6       to one or more marketing contracts (regardless of  
7       whether the contract is entered into by the pro-  
8       ducers on the farm before or after harvest) and for  
9       which appropriate documentation exists, the quan-  
10      tity designated in the contracts shall be eligible for  
11      quality loss assistance based on the one or more  
12      prices specified in the contracts.

13          (6) OTHER PRODUCTION.—For any additional  
14      production of a commodity for which a marketing  
15      contract does not exist or for which production con-  
16      tinues to be owned by the producer, quality losses  
17      shall be based on the average local market discounts  
18      for reduced quality, as determined by the appro-  
19      priate State committee of the Farm Service Agency.

20          (7) QUALITY ADJUSTMENTS AND DISCOUNTS.—  
21      The appropriate State committee of the Farm Serv-  
22      ice Agency shall identify the appropriate quality ad-  
23      justment and discount factors to be considered in  
24      carrying out this subsection, including—



1 (A) the average local discounts actually ap-  
2 plied to a crop; and

3 (B) the discount schedules applied to loans  
4 made by the Farm Service Agency or crop in-  
5 surance coverage under the Federal Crop Insur-  
6 ance Act (7 U.S.C. 1501 et seq.).

7 (8) ELIGIBLE PRODUCTION.—The Secretary of  
8 Agriculture shall carry out this subsection in a fair  
9 and equitable manner for all eligible production, in-  
10 cluding the production of fruits and vegetables,  
11 other specialty crops, and field crops.

12 (e) PAYMENT LIMITATIONS.—

13 (1) LIMIT ON AMOUNT OF ASSISTANCE.—As-  
14 sistance provided under this section to a producer  
15 for losses to a crop, together with the amounts speci-  
16 fied in paragraph (2) applicable to the same crop,  
17 may not exceed 95 percent of what the value of the  
18 crop would have been in the absence of the losses,  
19 as estimated by the Secretary of Agriculture.

20 (2) OTHER PAYMENTS.—In applying the limita-  
21 tion in paragraph (1), the Secretary shall include the  
22 following:

23 (A) Any crop insurance payment made  
24 under the Federal Crop Insurance Act (7  
25 U.S.C. 1501 et seq.) or payment under section

1           196 of the Federal Agriculture Improvement  
2           and Reform Act of 1996 (7 U.S.C. 7333) that  
3           the producer receives for losses to the same  
4           crop.

5           (B) The value of the crop that was not lost  
6           (if any), as estimated by the Secretary.

7           (f) ELIGIBILITY REQUIREMENTS AND LIMITA-  
8           TIONS.—The producers on a farm shall not be eligible for  
9           assistance under this section with respect to losses to an  
10          insurable commodity or noninsurable commodity if the  
11          producers on the farm—

12           (1) in the case of an insurable commodity, did  
13          not obtain a policy or plan of insurance for the in-  
14          surable commodity under the Federal Crop Insur-  
15          ance Act (7 U.S.C. 1501 et seq.) for the crop incur-  
16          ring the losses;

17           (2) in the case of a noninsurable commodity,  
18          did not file the required paperwork, and pay the ad-  
19          ministrative fee by the applicable State filing dead-  
20          line, for the noninsurable commodity under section  
21          196 of the Federal Agriculture Improvement and  
22          Reform Act of 1996 (7 U.S.C. 7333) for the crop  
23          incurring the losses; or

1           (3) were not in compliance with highly erodible  
2     land conservation and wetland conservation provi-  
3     sions.

4     (g) TIMING.—

5           (1) IN GENERAL.—Subject to paragraph (2),  
6     the Secretary of Agriculture shall make payments to  
7     producers on a farm for a crop under this section  
8     not later than 60 days after the date the producers  
9     on the farm submit to the Secretary a completed ap-  
10    plication for the payments.

11          (2) INTEREST.—If the Secretary does not make  
12    payments to the producers on a farm by the date de-  
13    scribed in paragraph (1), the Secretary shall pay to  
14    the producers on a farm interest on the payments at  
15    a rate equal to the current (as of the sign-up dead-  
16    line established by the Secretary) market yield on  
17    outstanding, marketable obligations of the United  
18    States with maturities of 30 years.

19    (h) DEFINITIONS.—In this section:

20          (1) INSURABLE COMMODITY.—The term “insur-  
21    able commodity” means an agricultural commodity  
22    (excluding livestock) for which the producers on a  
23    farm are eligible to obtain a policy or plan of insur-  
24    ance under the Federal Crop Insurance Act (7  
25    U.S.C. 1501 et seq.).

1           (2) NONINSURABLE COMMODITY.—The term  
2       “noninsurable commodity” means a crop for which  
3       the producers on a farm are eligible to obtain assist-  
4       ance under section 196 of the Federal Agriculture  
5       Improvement and Reform Act of 1996 (7 U.S.C.  
6       7333).

7   **SEC. 9002. LIVESTOCK ASSISTANCE.**

8       (a) LIVESTOCK COMPENSATION PROGRAM.—

9           (1) AVAILABILITY OF ASSISTANCE.—There are  
10       hereby appropriated to the Secretary of Agriculture  
11       such sums as are necessary, to remain available  
12       until expended, to carry out the livestock compensa-  
13       tion program established under subpart B of part  
14       1416 of title 7, Code of Federal Regulations, as an-  
15       nounced by the Secretary on February 12, 2007 (72  
16       Fed. Reg. 6443), to provide compensation for live-  
17       stock losses between January 1, 2005 and February  
18       28, 2007, due to a disaster, as determined by the  
19       Secretary (including losses due to blizzards that  
20       started in 2006 and continued into January 2007).  
21       However, the payment rate for compensation under  
22       this subsection shall be 61 percent of the payment  
23       rate otherwise applicable under such program. In  
24       addition, section 1416.102(b)(2)(ii) of title 7, Code

1 of Federal Regulations (72 Fed. Reg. 6444) shall  
2 not apply.

3 (2) ELIGIBLE APPLICANTS.—In carrying out  
4 the program described in paragraph (1), the Sec-  
5 retary shall provide assistance to any applicant  
6 that—

7 (A) conducts a livestock operation that is  
8 located in a disaster county with eligible live-  
9 stock specified in paragraph (1) of section  
10 1416.102(a) of title 7, Code of Federal Regula-  
11 tions (72 Fed. Reg. 6444), an animal described  
12 in section 10806(a)(1) of the Farm Security  
13 and Rural Investment Act of 2002 (21 U.S.C.  
14 321d(a)(1)), or other animals designated by the  
15 Secretary as livestock for purposes of this sub-  
16 section; and

17 (B) meets the requirements of paragraphs  
18 (3) and (4) of section 1416.102(a) of title 7,  
19 Code of Federal Regulations, and all other eligi-  
20 bility requirements established by the Secretary  
21 for the program.

22 (3) ELECTION OF LOSSES.—

23 (A) If a producer incurred eligible livestock  
24 losses in more than one of the 2005, 2006, or  
25 2007 calendar years, the producer shall elect to

1           receive payments under this subsection for  
2           losses incurred in only one of such calendar  
3           years, and such losses must have been incurred  
4           in a county declared or designated as a disaster  
5           county in that same calendar year.

6           (B) Producers may elect to receive com-  
7           pensation for losses in the calendar year 2007  
8           grazing season that are attributable to wildfires  
9           occurring during the applicable period, as deter-  
10          mined by the Secretary.

11          (4) MITIGATION.—In determining the eligibility  
12          for or amount of payments for which a producer is  
13          eligible under the livestock compensation program,  
14          the Secretary shall not penalize a producer that  
15          takes actions (recognizing disaster conditions) that  
16          reduce the average number of livestock the producer  
17          owned for grazing during the production year for  
18          which assistance is being provided.

19          (5) DEFINITIONS.—In this subsection:

20                  (A) DISASTER COUNTY.—The term “dis-  
21                  aster county” means—

22                          (i) a county included in the geo-  
23                          graphic area covered by a natural disaster  
24                          declaration; and

1 (ii) each county contiguous to a coun-  
2 ty described in clause (i).

3 (B) NATURAL DISASTER DECLARATION.—

4 The term “natural disaster declaration”  
5 means—

6 (i) a natural disaster declared by the  
7 Secretary between January 1, 2005 and  
8 February 28, 2007, under section 321(a)  
9 of the Consolidated Farm and Rural De-  
10 velopment Act (7 U.S.C. 1961(a));

11 (ii) a major disaster or emergency  
12 designated by the President between Janu-  
13 ary 1, 2005 and February 28, 2007, under  
14 the Robert T. Stafford Disaster Relief and  
15 Emergency Assistance Act (42 U.S.C.  
16 5121 et seq.); or

17 (iii) a determination of a Farm Serv-  
18 ice Agency Administrator’s Physical Loss  
19 Notice if such notice applies to a county  
20 included under (ii).

21 (b) LIVESTOCK INDEMNITY PAYMENTS.—

22 (1) AVAILABILITY OF ASSISTANCE.—There are  
23 hereby appropriated to the Secretary of Agriculture  
24 such sums as are necessary, to remain available  
25 until expended, to make livestock indemnity pay-

1       ments to producers on farms that have incurred live-  
2       stock losses between January 1, 2005 and February  
3       28, 2007, due to a disaster, as determined by the  
4       Secretary (including losses due to blizzards that  
5       started in 2006 and continued into January 2007)  
6       in a disaster county. To be eligible for assistance,  
7       applicants must meet all eligibility requirements es-  
8       tablished by the Secretary for the program.

9       (2) ELECTION OF LOSSES.—If a producer in-  
10      curred eligible livestock losses in more than one of  
11      the 2005, 2006, or 2007 calendar years, the pro-  
12      ducer shall elect to receive payments under this sub-  
13      section for losses incurred in only one of such cal-  
14      endar years. The producer may not receive payments  
15      under this subsection for more than one calendar  
16      year.

17      (3) PAYMENT RATES.—Indemnity payments to  
18      a producer on a farm under paragraph (1) shall be  
19      made at a rate of not less than 26 percent of the  
20      market value of the applicable livestock on the day  
21      before the date of death of the livestock, as deter-  
22      mined by the Secretary.

23      (4) LIVESTOCK DEFINED.—In this subsection,  
24      the term “livestock” means an animal that—



1 (A) is specified in clause (i) of section  
2 1416.203(a)(2) of title 7, Code of Federal Reg-  
3 ulations (72 Fed. Reg. 6445), or is designated  
4 by the Secretary as livestock for purposes of  
5 this subsection; and

6 (B) meets the requirements of clauses (iii)  
7 and (iv) of such section.

8 (5) DEFINITIONS.—In this subsection:

9 (A) DISASTER COUNTY.—The term “dis-  
10 aster county” means—

11 (i) a county included in the geo-  
12 graphic area covered by a natural disaster  
13 declaration; and

14 (ii) each county contiguous to a coun-  
15 ty described in clause (i).

16 (B) NATURAL DISASTER DECLARATION.—  
17 The term “natural disaster declaration”  
18 means—

19 (i) a natural disaster declared by the  
20 Secretary between January 1, 2005 and  
21 February 28, 2007, under section 321(a)  
22 of the Consolidated Farm and Rural De-  
23 velopment Act (7 U.S.C. 1961(a));

24 (ii) a major disaster or emergency  
25 designated by the President between Janu-

1           ary 1, 2005 and February 28, 2007, under  
2           the Robert T. Stafford Disaster Relief and  
3           Emergency Assistance Act (42 U.S.C.  
4           5121 et seq.); or

5                     (iii) a determination of a Farm Serv-  
6           ice Agency Administrator's Physical Loss  
7           Notice if such notice applies to a county  
8           included under (ii).

9   **SEC. 9003. EMERGENCY CONSERVATION PROGRAM.**

10       There is hereby appropriated to the Secretary of Ag-  
11   riculture \$16,000,000, to remain available until expended,  
12   to provide assistance under the Emergency Conservation  
13   Program under title IV of the Agriculture Credit Act of  
14   1978 (16 U.S.C. 2201 et seq.) for the cleanup and restora-  
15   tion of farm and agricultural production lands.

16   **SEC. 9004. PAYMENT LIMITATIONS.**

17       (a) REDUCTION IN PAYMENTS TO REFLECT PAY-  
18   MENTS FOR SAME OR SIMILAR LOSSES.—The amount of  
19   any payment for which a producer is eligible under sec-  
20   tions 9001 and 9002 shall be reduced by any amount re-  
21   ceived by the producer for the same loss or any similar  
22   loss under—

23               (1) the Department of Defense, Emergency  
24       Supplemental Appropriations to Address Hurricanes

1 in the Gulf of Mexico, and Pandemic Influenza Act,  
2 2006 (Public Law 109–148; 119 Stat. 2680);

3 (2) an agricultural disaster assistance provision  
4 contained in the announcement of the Secretary on  
5 January 26, 2006 or August 29, 2006; or

6 (3) the Emergency Supplemental Appropria-  
7 tions Act for Defense, the Global War on Terror,  
8 and Hurricane Recovery, 2006 (Public Law 109–  
9 234; 120 Stat. 418).

10 (b) ADJUSTED GROSS INCOME LIMITATION.—Section  
11 1001D of the Food Security Act of 1985 (7 U.S.C. 1308–  
12 3a) shall apply with respect to assistance provided under  
13 sections 9001, 9002, and 9003.

14 **SEC. 9005. ADMINISTRATION.**

15 (a) REGULATIONS.—The Secretary of Agriculture  
16 may promulgate such regulations as are necessary to im-  
17 plement sections 9001 and 9002.

18 (b) PROCEDURE.—The promulgation of the imple-  
19 menting regulations and the administration of sections  
20 9001 and 9002 shall be made without regard to—

21 (1) the notice and comment provisions of sec-  
22 tion 553 of title 5, United States Code;

23 (2) the Statement of Policy of the Secretary of  
24 Agriculture effective July 24, 1971 (36 Fed. Reg.

1 13804), relating to notices of proposed rulemaking  
2 and public participation in rulemaking; and

3 (3) chapter 35 of title 44, United States Code  
4 (commonly known as the "Paperwork Reduction  
5 Act").

6 (c) CONGRESSIONAL REVIEW OF AGENCY RULE-  
7 MAKING.—In carrying out this section, the Secretary of  
8 Agriculture shall use the authority provided under section  
9 808 of title 5, United States Code.

10 (d) USE OF COMMODITY CREDIT CORPORATION;  
11 LIMITATION.—In implementing sections 9001 and 9002,  
12 the Secretary of Agriculture may use the facilities, serv-  
13 ices, and authorities of the Commodity Credit Corpora-  
14 tion. The Corporation shall not make any expenditures to  
15 carry out sections 9001 and 9002 unless funds have been  
16 specifically appropriated for such purpose.

17 **SEC. 9006. MILK INCOME LOSS CONTRACT PROGRAM.**

18 (a) Section 1502(c)(3) of the Farm Security and  
19 Rural Investment Act of 2002 (7 U.S.C. 7982(c)(3)) is  
20 amended—

21 (1) in subparagraph (A), by adding "and" at  
22 the end;

23 (2) in subparagraph (B), by striking "August"  
24 and all that follows through the end and inserting  
25 "September 30, 2007, 34 percent."; and

1 (3) by striking subparagraph (C).

2 (b) Section 10002 of this Act shall not apply to this  
3 section except with respect to fiscal years 2007 and 2008.

4 **SEC. 9007. DAIRY ASSISTANCE.**

5 There is hereby appropriated \$16,000,000 to make  
6 payments to dairy producers for dairy production losses  
7 in disaster counties, as defined in section 9002 of this  
8 title, to remain available until expended.

9 **SEC. 9008. NONINSURED CROP ASSISTANCE PROGRAM.**

10 For states in which there is a shortage of claims ad-  
11 justors, as determined by the Secretary, the Secretary  
12 shall permit the use of one claims adjustor certified by  
13 the Secretary in carrying out 7 CFR 1437.401.

14 **SEC. 9009. EMERGENCY GRANTS TO ASSIST LOW-INCOME**  
15 **MIGRANT AND SEASONAL FARMWORKERS.**

16 There is hereby appropriated \$16,000,000 to carry  
17 out section 2281 of the Food, Agriculture, Conservation  
18 and Trade Act of 1990 (42 U.S.C. 5177a), to remain  
19 available until expended.

20 **SEC. 9010. CONSERVATION SECURITY PROGRAM.**

21 Section 20115 of Public Law 110-5 is amended by  
22 striking "section 726" and inserting in lieu thereof "sec-  
23 tion 726; section 741".

1 **SEC. 9011. ADMINISTRATIVE EXPENSES.**

2       There is hereby appropriated \$22,000,000 for the  
3 “Farm Service Agency, Salaries and Expenses”, to remain  
4 available until September 30, 2008.

5 **SEC. 9012. CONTRACT WAIVER.**

6       In carrying out crop disaster and livestock assistance  
7 in this title, the Secretary shall require forage producers  
8 to have participated in a crop insurance pilot program or  
9 the Non-Insured Crop Disaster Assistance Program dur-  
10 ing the crop year for which compensation is received.

11 **TITLE X—GENERAL PROVISIONS**

12       SEC. 10001. No part of any appropriation contained  
13 in this Act shall remain available for obligation beyond  
14 the current fiscal year unless expressly so provided herein.

15       SEC. 10002. Amounts in this Act (other than in titles  
16 VI and VIII) are designated as emergency requirements  
17 and necessary to meet emergency needs pursuant to sub-  
18 sections (a) and (b) of section 204 of S. Con. Res. 21  
19 (110th Congress), the concurrent resolution on the budget  
20 for fiscal year 2008.

Amend the title so as to read: “An Act making sup-  
plemental appropriations for the fiscal year ending Sep-  
tember 30, 2007, and for other purposes.”.

**TEXT OF THE HOUSE AMENDMENT #2 TO THE SENATE AMENDMENT  
TO H.R. 2206 MADE IN ORDER UNDER THE RULE**

## **Amendment 2 to the Senate Amendment to H.R. 2206**

In lieu of titles I and II of House amendment 1 (or, if such amendment has not been agreed to, in lieu of the matter proposed to be inserted by the Senate amendment), insert the following:

### **1 TITLE I—SUPPLEMENTAL AP- 2 PROPRIATIONS FOR DE- 3 FENSE, INTERNATIONAL AF- 4 FAIRS, AND OTHER SECU- 5 RITY-RELATED NEEDS**

#### **6 CHAPTER 1**

##### **7 DEPARTMENT OF AGRICULTURE**

##### **8 FOREIGN AGRICULTURAL SERVICE**

##### **9 PUBLIC LAW 480 TITLE II GRANTS**

10 For an additional amount for “Public Law 480 Title  
11 II Grants”, during the current fiscal year, not otherwise  
12 recoverable, and unrecovered prior years’ costs, including  
13 interest thereon, under the Agricultural Trade Develop-  
14 ment and Assistance Act of 1954, for commodities sup-  
15 plied in connection with dispositions abroad under title II  
16 of said Act, \$350,000,000, to remain available until ex-  
17 pended.



1

**CHAPTER 2**

2

**DEPARTMENT OF JUSTICE**

3

**LEGAL ACTIVITIES**

4

**SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES**

5

For an additional amount for "Salaries and Expenses, General Legal Activities", \$1,648,000, to remain available until September 30, 2008.

8

**SALARIES AND EXPENSES, UNITED STATES ATTORNEYS**

9

For an additional amount for "Salaries and Expenses, United States Attorneys", \$5,000,000, to remain available until September 30, 2008.

12

**UNITED STATES MARSHALS SERVICE**

13

**SALARIES AND EXPENSES**

14

For an additional amount for "Salaries and Expenses", \$6,450,000, to remain available until September 30, 2008.

17

**NATIONAL SECURITY DIVISION**

18

**SALARIES AND EXPENSES**

19

For an additional amount for "Salaries and Expenses", \$1,736,000, to remain available until September 30, 2008.

22

**FEDERAL BUREAU OF INVESTIGATION**

23

**SALARIES AND EXPENSES**

24

For an additional amount for "Salaries and Expenses", \$118,260,000, to remain available until September 30, 2008.

26

1           DRUG ENFORCEMENT ADMINISTRATION

2                   SALARIES AND EXPENSES

3       For an additional amount for “Salaries and Ex-  
4 penses”, \$8,468,000, to remain available until September  
5 30, 2008.

6       BUREAU OF ALCOHOL, TOBACCO, FIREARMS AND  
7                   EXPLOSIVES

8                   SALARIES AND EXPENSES

9       For an additional amount for “Salaries and Ex-  
10 penses”, \$4,000,000, to remain available until September  
11 30, 2008.

12           FEDERAL PRISON SYSTEM

13                   SALARIES AND EXPENSES

14       For an additional amount for “Salaries and Ex-  
15 penses”, \$17,000,000, to remain available until September  
16 30, 2008.

17       GENERAL PROVISIONS—THIS CHAPTER

18       SEC. 1201. Funds provided in this Act for the “De-  
19 partment of Justice, United States Marshals Service, Sal-  
20 aries and Expenses” shall be made available according to  
21 the language relating to such account in the joint explana-  
22 tory statement accompanying the conference report on  
23 H.R. 1591 of the 110th Congress (H. Rept. 110–107).

24       SEC. 1202. Funds provided in this Act for the “De-  
25 partment of Justice, Legal Activities, Salaries and Ex-

1 penses, General Legal Activities”, shall be made available  
2 according to the language relating to such account in the  
3 joint explanatory statement accompanying the conference  
4 report on H.R. 1591 of the 110th Congress (H. Rept.  
5 110–107).

### 6 **CHAPTER 3**

#### 7 **DEPARTMENT OF DEFENSE—MILITARY**

##### 8 **MILITARY PERSONNEL**

##### 9 **MILITARY PERSONNEL, ARMY**

10 For an additional amount for “Military Personnel,  
11 Army”, \$8,510,270,000.

##### 12 **MILITARY PERSONNEL, NAVY**

13 For an additional amount for “Military Personnel,  
14 Navy”, \$692,127,000.

##### 15 **MILITARY PERSONNEL, MARINE CORPS**

16 For an additional amount for “Military Personnel,  
17 Marine Corps”, \$1,386,871,000.

##### 18 **MILITARY PERSONNEL, AIR FORCE**

19 For an additional amount for “Military Personnel,  
20 Air Force”, \$1,079,287,000.

##### 21 **RESERVE PERSONNEL, ARMY**

22 For an additional amount for “Reserve Personnel,  
23 Army”, \$147,244,000.

1                   RESERVE PERSONNEL, NAVY

2       For an additional amount for "Reserve Personnel,  
3 Navy", \$77,800,000.

4                   RESERVE PERSONNEL, AIR FORCE

5       For an additional amount for "Reserve Personnel,  
6 Air Force", \$5,500,000.

7                   NATIONAL GUARD PERSONNEL, ARMY

8       For an additional amount for "National Guard Per-  
9 sonnel, Army", \$436,025,000.

10                  NATIONAL GUARD PERSONNEL, AIR FORCE

11       For an additional amount for "National Guard Per-  
12 sonnel, Air Force", \$24,500,000.

13                  OPERATION AND MAINTENANCE

14                  OPERATION AND MAINTENANCE, ARMY

15       For an additional amount for "Operation and Main-  
16 tenance, Army", \$20,373,379,000.

17                  OPERATION AND MAINTENANCE, NAVY

18                  (INCLUDING TRANSFER OF FUNDS)

19       For an additional amount for "Operation and Main-  
20 tenance, Navy", \$4,652,670,000, of which up to  
21 \$120,293,000 shall be transferred to Coast Guard, "Oper-  
22 ating Expenses", for reimbursement for activities which  
23 support activities requested by the Navy.

1        OPERATION AND MAINTENANCE, MARINE CORPS

2        For an additional amount for "Operation and Main-  
3        tenance, Marine Corps", \$1,146,594,000.

4        OPERATION AND MAINTENANCE, AIR FORCE

5        For an additional amount for "Operation and Main-  
6        tenance, Air Force", \$6,650,881,000.

7        OPERATION AND MAINTENANCE, DEFENSE-WIDE

8        For an additional amount for "Operation and Main-  
9        tenance, Defense-Wide", \$2,714,487,000, of which—

10        (1) not to exceed \$25,000,000 may be used for  
11        the Combatant Commander Initiative Fund, to be  
12        used in support of Operation Iraqi Freedom and Op-  
13        eration Enduring Freedom; and

14        (2) not to exceed \$200,000,000, to remain  
15        available until expended, may be used for payments  
16        to reimburse Pakistan, Jordan, and other key co-  
17        operating nations, for logistical, military, and other  
18        support provided to United States military oper-  
19        ations, notwithstanding any other provision of law:  
20        *Provided*, That such payments may be made in such  
21        amounts as the Secretary of Defense, with the con-  
22        currence of the Secretary of State, and in consulta-  
23        tion with the Director of the Office of Management  
24        and Budget, may determine, in his discretion, based  
25        on documentation determined by the Secretary of

1 Defense to adequately account for the support pro-  
2 vided, and such determination is final and conclusive  
3 upon the accounting officers of the United States,  
4 and 15 days following notification to the appropriate  
5 congressional committees: *Provided further*, That the  
6 Secretary of Defense shall provide quarterly reports  
7 to the congressional defense committees on the use  
8 of funds provided in this paragraph.

9 OPERATION AND MAINTENANCE, ARMY RESERVE

10 For an additional amount for "Operation and Main-  
11 tenance, Army Reserve", \$74,049,000.

12 OPERATION AND MAINTENANCE, NAVY RESERVE

13 For an additional amount for "Operation and Main-  
14 tenance, Navy Reserve", \$111,066,000.

15 OPERATION AND MAINTENANCE, MARINE CORPS

16 RESERVE

17 For an additional amount for "Operation and Main-  
18 tenance, Marine Corps Reserve", \$13,591,000.

19 OPERATION AND MAINTENANCE, AIR FORCE RESERVE

20 For an additional amount for "Operation and Main-  
21 tenance, Air Force Reserve", \$10,160,000.

22 OPERATION AND MAINTENANCE, ARMY NATIONAL

23 GUARD

24 For an additional amount for "Operation and Main-  
25 tenance, Army National Guard", \$83,569,000.

1 OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

2 For an additional amount for "Operation and Main-  
3 tenance, Air National Guard", \$38,429,000.

4 AFGHANISTAN SECURITY FORCES FUND

5 For an additional amount for "Afghanistan Security  
6 Forces Fund", \$5,906,400,000, to remain available until  
7 September 30, 2008.

8 IRAQ SECURITY FORCES FUND

9 For an additional amount for "Iraq Security Forces  
10 Fund", \$3,842,300,000, to remain available until Sep-  
11 tember 30, 2008.

12 IRAQ FREEDOM FUND

13 (INCLUDING TRANSFER OF FUNDS)

14 For an additional amount for "Iraq Freedom Fund",  
15 \$355,600,000, to remain available for transfer until Sep-  
16 tember 30, 2008: *Provided*, That up to \$50,000,000 may  
17 be obligated and expended for purposes of the Task Force  
18 to Improve Business and Stability Operations in Iraq.

19 JOINT IMPROVISED EXPLOSIVE DEVICE DEFEAT FUND

20 For an additional amount for "Joint Improvised Ex-  
21 plosive Device Defeat Fund", \$2,432,800,000, to remain  
22 available until September 30, 2009.

1                                   PROCUREMENT

2                                   AIRCRAFT PROCUREMENT, ARMY

3           For an additional amount for "Aircraft Procurement,  
4 Army", \$619,750,000, to remain available until Sep-  
5 tember 30, 2009.

6                                   MISSILE PROCUREMENT, ARMY

7           For an additional amount for "Missile Procurement,  
8 Army", \$111,473,000, to remain available until Sep-  
9 tember 30, 2009.

10                                PROCUREMENT OF WEAPONS AND TRACKED COMBAT

11                                   VEHICLES, ARMY

12           For an additional amount for "Procurement of Weap-  
13 ons and Tracked Combat Vehicles, Army",  
14 \$3,404,315,000, to remain available until September 30,  
15 2009.

16                                PROCUREMENT OF AMMUNITION, ARMY

17           For an additional amount for "Procurement of Am-  
18 munition, Army", \$681,500,000, to remain available until  
19 September 30, 2009.

20                                OTHER PROCUREMENT, ARMY

21           For an additional amount for "Other Procurement,  
22 Army", \$9,859,137,000, to remain available until Sep-  
23 tember 30, 2009.



1                   AIRCRAFT PROCUREMENT, NAVY

2           For an additional amount for "Aircraft Procurement,  
3 Navy", \$1,090,287,000, to remain available until Sep-  
4 tember 30, 2009.

5                   WEAPONS PROCUREMENT, NAVY

6           For an additional amount for "Weapons Procure-  
7 ment, Navy", \$163,813,000, to remain available until  
8 September 30, 2009.

9           PROCUREMENT OF AMMUNITION, NAVY AND MARINE  
10                                   CORPS

11          For an additional amount for "Procurement of Am-  
12 munition, Navy and Marine Corps", \$159,833,000, to re-  
13 main available until September 30, 2009.

14                   OTHER PROCUREMENT, NAVY

15          For an additional amount for "Other Procurement,  
16 Navy", \$618,709,000, to remain available until September  
17 30, 2009.

18                   PROCUREMENT, MARINE CORPS

19          For an additional amount for "Procurement, Marine  
20 Corps", \$989,389,000, to remain available until Sep-  
21 tember 30, 2009.

22                   AIRCRAFT PROCUREMENT, AIR FORCE

23          For an additional amount for "Aircraft Procurement,  
24 Air Force", \$2,106,468,000, to remain available until  
25 September 30, 2009.

## 1 MISSILE PROCUREMENT, AIR FORCE

2 For an additional amount for “Missile Procurement,  
3 Air Force”, \$94,900,000, to remain available until Sep-  
4 tember 30, 2009.

## 5 PROCUREMENT OF AMMUNITION, AIR FORCE

6 For an additional amount for “Procurement of Am-  
7 munition, Air Force”, \$6,000,000, to remain available  
8 until September 30, 2009.

## 9 OTHER PROCUREMENT, AIR FORCE

10 For an additional amount for “Other Procurement,  
11 Air Force”, \$1,957,160,000, to remain available until  
12 September 30, 2009.

## 13 PROCUREMENT, DEFENSE-WIDE

14 For an additional amount for “Procurement, De-  
15 fense-Wide”, \$721,190,000, to remain available until Sep-  
16 tember 30, 2009.

17 RESEARCH, DEVELOPMENT, TEST AND  
18 EVALUATION

19 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
20 ARMY

For an additional amount for “Research, Development, Test and Evaluation, Army”, \$100,006,000, to remain available until September 30, 2008.

1 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
2 NAVY

3 For an additional amount for "Research, Develop-  
4 ment, Test and Evaluation, Navy", \$298,722,000, to re-  
5 main available until September 30, 2008.

6 RESEARCH, DEVELOPMENT, TEST AND EVALUATION,  
7 AIR FORCE

8 For an additional amount for "Research, Develop-  
9 ment, Test and Evaluation, Air Force", \$187,176,000, to  
10 remain available until September 30, 2008.

11 RESEARCH, DEVELOPMENT, TEST AND EVALUATION;  
12 DEFENSE-WIDE

13 For an additional amount for "Research, Develop-  
14 ment, Test and Evaluation, Defense-Wide",  
15 \$512,804,000, to remain available until September 30,  
16 2008.

17 REVOLVING AND MANAGEMENT FUNDS

18 DEFENSE WORKING CAPITAL FUNDS

19 For an additional amount for "Defense Working  
20 Capital Funds", \$1,115,526,000.

21 NATIONAL DEFENSE SEALIFT FUND

22 For an additional amount for "National Defense Sea-  
23 lift Fund", \$5,000,000.

## 1 OTHER DEPARTMENT OF DEFENSE PROGRAMS

## 2 DEFENSE HEALTH PROGRAM

3 For an additional amount for “Defense Health Pro-  
4 gram”, \$1,123,147,000.

## 5 DRUG INTERDICTION AND COUNTER-DRUG ACTIVITIES,

## 6 DEFENSE

7 For an additional amount for “Drug Interdiction and  
8 Counter-Drug Activities, Defense”, \$254,665,000, to re-  
9 main available until expended.

## 10 RELATED AGENCIES

## 11 INTELLIGENCE COMMUNITY MANAGEMENT ACCOUNT

12 For an additional amount for “Intelligence Commu-  
13 nity Management Account”, \$71,726,000.

## 14 GENERAL PROVISIONS—THIS CHAPTER

15 SEC. 1301. Appropriations provided in this Act are  
16 available for obligation until September 30, 2007, unless  
17 otherwise provided herein.

## 18 (TRANSFER OF FUNDS)

19 SEC. 1302. Upon his determination that such action  
20 is necessary in the national interest, the Secretary of De-  
21 fense may transfer between appropriations up to  
22 \$3,500,000,000 of the funds made available to the De-  
23 partment of Defense (except for military construction) in  
24 this Act: *Provided*, That the Secretary shall notify the  
25 Congress promptly of each transfer made pursuant to the  
26 authority in this section: *Provided further*, That the au-

1   thority provided in this section is in addition to any other  
2   transfer authority available to the Department of Defense  
3   and is subject to the same terms and conditions as the  
4   authority provided in section 8005 of the Department of  
5   Defense Appropriations Act, 2007 (Public Law 109-289;  
6   120 Stat. 1257), except for the fourth proviso: *Provided*  
7   *further*, That funds previously transferred to the “Joint  
8   Improvised Explosive Device Defeat Fund” and the “Iraq  
9   Security Forces Fund” under the authority of section  
10   8005 of Public Law 109-289 and transferred back to  
11   their source appropriations accounts shall not be taken  
12   into account for purposes of the limitation on the amount  
13   of funds that may be transferred under section 8005.

14       SEC. 1303. Funds appropriated in this Act, or made  
15   available by the transfer of funds in or pursuant to this  
16   Act, for intelligence activities are deemed to be specifically  
17   authorized by the Congress for purposes of section  
18   504(a)(1) of the National Security Act of 1947 (50 U.S.C.  
19   414(a)(1)).

20       SEC. 1304. None of the funds provided in this Act  
21   may be used to finance programs or activities denied by  
22   Congress in fiscal years 2006 or 2007 appropriations to  
23   the Department of Defense (except for military construc-  
24   tion) or to initiate a procurement or research, develop-  
25   ment, test and evaluation new start program without prior

1 written notification to the congressional defense commit-  
2 tees.

3 (TRANSFER OF FUNDS)

4 SEC. 1305. During fiscal year 2007, the Secretary  
5 of Defense may transfer not to exceed \$6,300,000 of the  
6 amounts in or credited to the Defense Cooperation Ac-  
7 count, pursuant to 10 U.S.C. 2608, to such appropriations  
8 or funds of the Department of Defense as he shall deter-  
9 mine for use consistent with the purposes for which such  
10 funds were contributed and accepted: *Provided*, That such  
11 amounts shall be available for the same time period as  
12 the appropriation to which transferred: *Provided further*,  
13 That the Secretary shall report to the Congress all trans-  
14 fers made pursuant to this authority.

15 SEC. 1306. (a) AUTHORITY TO PROVIDE SUPPORT.—  
16 Of the amount appropriated by this Act under the head-  
17 ing, “Drug Interdiction and Counter-Drug Activities, De-  
18 fense”, not to exceed \$60,000,000 may be used for sup-  
19 port for counter-drug activities of the Governments of Af-  
20 ghanistan and Pakistan: *Provided*, That such support  
21 shall be in addition to support provided for the counter-  
22 drug activities of such Governments under any other pro-  
23 vision of the law.

24 (b) TYPES OF SUPPORT.—

25 (1) Except as specified in subsection (b)(2) of  
26 this section, the support that may be provided under

1 the authority in this section shall be limited to the  
2 types of support specified in section 1033(c)(1) of  
3 the National Defense Authorization Act for Fiscal  
4 Year 1998 (Public Law 105–85, as amended by  
5 Public Laws 106–398, 108–136, and 109–364) and  
6 conditions on the provision of support as contained  
7 in section 1033 shall apply for fiscal year 2007.

8 (2) The Secretary of Defense may transfer ve-  
9 hicles, aircraft, and detection, interception, moni-  
10 toring and testing equipment to said Governments  
11 for counter-drug activities.

12 SEC. 1307. (a) From funds made available for oper-  
13 ation and maintenance in this Act to the Department of  
14 Defense, not to exceed \$456,400,000 may be used, not-  
15 withstanding any other provision of law, to fund the Com-  
16 manders' Emergency Response Program, for the purpose  
17 of enabling military commanders in Iraq and Afghanistan  
18 to respond to urgent humanitarian relief and reconstruc-  
19 tion requirements within their areas of responsibility by  
20 carrying out programs that will immediately assist the  
21 Iraqi and Afghan people.

22 (b) QUARTERLY REPORTS.—Not later than 15 days  
23 after the end of each fiscal year quarter, the Secretary  
24 of Defense shall submit to the congressional defense com-  
25 mittees a report regarding the source of funds and the

1 allocation and use of funds during that quarter that were  
2 made available pursuant to the authority provided in this  
3 section or under any other provision of law for the pur-  
4 poses of the programs under subsection (a).

5 SEC. 1308. Section 9010 of division A of Public Law  
6 109–289 is amended by striking “2007” each place it ap-  
7 pears and inserting “2008”.

8 SEC. 1309. During fiscal year 2007, supervision and  
9 administration costs associated with projects carried out  
10 with funds appropriated to “Afghanistan Security Forces  
11 Fund” or “Iraq Security Forces Fund” in this Act may  
12 be obligated at the time a construction contract is award-  
13 ed: *Provided*, That for the purpose of this section, super-  
14 vision and administration costs include all in-house Gov-  
15 ernment costs.

16 SEC. 1310. Section 1005(c)(2) of the National De-  
17 fense Authorization Act, Fiscal Year 2007 (Public Law  
18 109–364) is amended by striking “\$310,277,000” and in-  
19 serting “\$376,446,000”.

20 SEC. 1311. Section 9007 of Public Law 109–289 is  
21 amended by striking “20” and inserting “287”.

22 SEC. 1312. From funds made available for the “Iraq  
23 Security Forces Fund” for fiscal year 2007, up to  
24 \$155,500,000 may be used, notwithstanding any other  
25 provision of law, to provide assistance, with the concur-



1 rence of the Secretary of State, to the Government of Iraq  
2 to support the disarmament, demobilization, and re-  
3 integration of militias and illegal armed groups.

4 (TRANSFER OF FUNDS)

5 SEC. 1313. Notwithstanding any other provision of  
6 law, not to exceed \$110,000,000 may be transferred to  
7 the "Economic Support Fund", Department of State, for  
8 use in programs in Pakistan from amounts appropriated  
9 by this Act as follows:

10 "Military Personnel, Army", \$70,000,000.

11 "National Guard Personnel, Army",  
12 \$13,183,000.

13 "Defense Health Program", \$26,817,000.

14 SEC. 1314. (a) FINDINGS REGARDING PROGRESS IN  
15 IRAQ, THE ESTABLISHMENT OF BENCHMARKS TO MEAS-  
16 URE THAT PROGRESS, AND REPORTS TO CONGRESS.—  
17 Congress makes the following findings:

18 (1) Over 145,000 American military personnel  
19 are currently serving in Iraq, like thousands of oth-  
20 ers since March 2003, with the bravery and profes-  
21 sionalism consistent with the finest traditions of the  
22 United States Armed Forces, and are deserving of  
23 the strong support of all Americans.

24 (2) Many American service personnel have lost  
25 their lives, and many more have been wounded in

1 Iraq; the American people will always honor their  
2 sacrifice and honor their families.

3 (3) The United States Army and Marine Corps,  
4 including their Reserve components and National  
5 Guard organizations, together with components of  
6 the other branches of the military, are performing  
7 their missions while under enormous strain from  
8 multiple, extended deployments to Iraq and Afghani-  
9 stan. These deployments, and those that will follow,  
10 will have a lasting impact on future recruiting, re-  
11 tention, and readiness of our Nation's all volunteer  
12 force.

13 (4) Iraq is experiencing a deteriorating problem  
14 of sectarian and intrasectarian violence based upon  
15 political distrust and cultural differences among fac-  
16 tions of the Sunni and Shia populations.

17 (5) Iraqis must reach political and economic  
18 settlements in order to achieve reconciliation, for  
19 there is no military solution. The failure of the  
20 Iraqis to reach such settlements to support a truly  
21 unified government greatly contributes to the in-  
22 creasing violence in Iraq.

23 (6) The responsibility for Iraq's internal secu-  
24 rity and halting sectarian violence rests with the sov-  
25 ereign Government of Iraq.

1           (7) In December 2006, the bipartisan Iraq  
2       Study Group issued a valuable report, suggesting a  
3       comprehensive strategy that includes new and en-  
4       hanced diplomatic and political efforts in Iraq and  
5       the region, and a change in the primary mission of  
6       U.S. forces in Iraq, that will enable the United  
7       States to begin to move its combat forces out of Iraq  
8       responsibly.

9           (8) The President said on January 10, 2007,  
10      that "I've made it clear to the Prime Minister and  
11      Iraq's other leaders that America's commitment is  
12      not open-ended" so as to dispel the contrary impres-  
13      sion that exists.

14          (9) It is essential that the sovereign Govern-  
15      ment of Iraq set out measurable and achievable  
16      benchmarks and President Bush said, on January  
17      10, 2007, that "America will change our approach  
18      to help the Iraqi government as it works to meet  
19      these benchmarks".

20          (10) As reported by Secretary of State Rice,  
21      Iraq's Policy Committee on National Security agreed  
22      upon a set of political, security, and economic bench-  
23      marks and an associated timeline in September 2006  
24      that were (A) reaffirmed by Iraq's Presidency Coun-  
25      cil on October 6, 2006; (B) referenced by the Iraq

1 Study Group; and (C) posted on the President of  
2 Iraq's Web site.

3 (11) On April 21, 2007, Secretary of Defense  
4 Robert Gates stated that "our [American] commit-  
5 ment to Iraq is long-term, but it is not a commit-  
6 ment to have our young men and women patrolling  
7 Iraq's streets open-endedly" and that "progress in  
8 reconciliation will be an important element of our  
9 evaluation".

10 (12) The President's January 10, 2007 address  
11 had three components: political, military, and eco-  
12 nomic. Given that significant time has passed since  
13 his statement, and recognizing the overall situation  
14 is ever changing, Congress must have timely reports  
15 to evaluate and execute its constitutional oversight  
16 responsibilities.

17 (b) CONDITIONING OF FUTURE UNITED STATES  
18 STRATEGY IN IRAQ ON THE IRAQI GOVERNMENT'S  
19 RECORD OF PERFORMANCE ON ITS BENCHMARKS.—

20 (1) IN GENERAL.—

21 (A) The United States strategy in Iraq,  
22 hereafter, shall be conditioned on the Iraqi gov-  
23 ernment meeting benchmarks, as told to mem-  
24 bers of Congress by the President, the Sec-  
25 retary of State, the Secretary of Defense, and

1 the Chairman of the Joint Chiefs of Staff, and  
2 reflected in the Iraqi Government's commit-  
3 ments to the United States, and to the inter-  
4 national community, including:

5 (i) Forming a Constitutional Review  
6 Committee and then completing the con-  
7 stitutional review.

8 (ii) Enacting and implementing legis-  
9 lation on de-Baathification.

10 (iii) Enacting and implementing legis-  
11 lation to ensure the equitable distribution  
12 of hydrocarbon resources of the people of  
13 Iraq without regard to the sect or ethnicity  
14 of recipients, and enacting and imple-  
15 menting legislation to ensure that the en-  
16 ergy resources of Iraq benefit Sunni Arabs,  
17 Shia Arabs, Kurds, and other Iraqi citizens  
18 in an equitable manner.

19 (iv) Enacting and implementing legis-  
20 lation on procedures to form semi-autono-  
21 mous regions.

22 (v) Enacting and implementing legis-  
23 lation establishing an Independent High  
24 Electoral Commission, provincial elections

1 law, provincial council authorities, and a  
2 date for provincial elections.

3 (vi) Enacting and implementing legis-  
4 lation addressing amnesty.

5 (vii) Enacting and implementing legis-  
6 lation establishing a strong militia disar-  
7 mament program to ensure that such secu-  
8 rity forces are accountable only to the cen-  
9 tral government and loyal to the Constitu-  
10 tion of Iraq.

11 (viii) Establishing supporting political,  
12 media, economic, and services committees  
13 in support of the Baghdad Security Plan.

14 (ix) Providing three trained and ready  
15 Iraqi brigades to support Baghdad oper-  
16 ations.

17 (x) Providing Iraqi commanders with  
18 all authorities to execute this plan and to  
19 make tactical and operational decisions, in  
20 consultation with U.S commanders, with-  
21 out political intervention, to include the au-  
22 thority to pursue all extremists, including  
23 Sunni insurgents and Shiite militias.

1           (xi) Ensuring that the Iraqi Security  
2 Forces are providing even handed enforce-  
3 ment of the law.

4           (xii) Ensuring that, according to  
5 President Bush, Prime Minister Maliki  
6 said "the Baghdad security plan will not  
7 provide a safe haven for any outlaws, re-  
8 gardless of [their] sectarian or political af-  
9 filiation".

10          (xiii) Reducing the level of sectarian  
11 violence in Iraq and eliminating militia  
12 control of local security.

13          (xiv) Establishing all of the planned  
14 joint security stations in neighborhoods  
15 across Baghdad.

16          (xv) Increasing the number of Iraqi  
17 security forces units capable of operating  
18 independently.

19          (xvi) Ensuring that the rights of mi-  
20 nority political parties in the Iraqi legisla-  
21 ture are protected.

22          (xvii) Allocating and spending \$10 bil-  
23 lion in Iraqi revenues for reconstruction  
24 projects, including delivery of essential  
25 services, on an equitable basis.

1 (xviii) Ensuring that Iraq's political  
2 authorities are not undermining or making  
3 false accusations against members of the  
4 Iraqi Security Forces.

5 (B) The President shall submit reports to  
6 Congress on how the sovereign Government of  
7 Iraq is, or is not, achieving progress towards  
8 accomplishing the aforementioned benchmarks,  
9 and shall advise the Congress on how that as-  
10 sessment requires, or does not require, changes  
11 to the strategy announced on January 10,  
12 2007.

13 (2) REPORTS REQUIRED.—

14 (A) The President shall submit an initial  
15 report, in classified and unclassified format, to  
16 the Congress, not later than July 15, 2007, as-  
17 sessing the status of each of the specific bench-  
18 marks established above, and declaring, in his  
19 judgment, whether satisfactory progress toward  
20 meeting these benchmarks is, or is not, being  
21 achieved.

22 (B) The President, having consulted with  
23 the Secretary of State, the Secretary of De-  
24 fense, the Commander, Multi-National Forces-  
25 Iraq, the United States Ambassador to Iraq,



1           and the Commander of U.S. Central Command,  
2           will prepare the report and submit the report to  
3           Congress.

4           (C) If the President's assessment of any of  
5           the specific benchmarks established above is un-  
6           satisfactory, the President shall include in that  
7           report a description of such revisions to the po-  
8           litical, economic, regional, and military compo-  
9           nents of the strategy, as announced by the  
10          President on January 10, 2007. In addition,  
11          the President shall include in the report, the  
12          advisability of implementing such aspects of the  
13          bipartisan Iraq Study Group, as he deems ap-  
14          propriate.

15          (D) The President shall submit a second  
16          report to the Congress, not later than Sep-  
17          tember 15, 2007, following the same procedures  
18          and criteria outlined above.

19          (E) The reporting requirement detailed in  
20          section 1227 of the National Defense Author-  
21          ization Act for Fiscal Year 2006 is waived from  
22          the date of the enactment of this Act through  
23          the period ending September 15, 2007.

24          (3) TESTIMONY BEFORE CONGRESS.—Prior to  
25          the submission of the President's second report on

1       September 15, 2007, and at a time to be agreed  
2       upon by the leadership of the Congress and the Ad-  
3       ministration, the United States Ambassador to Iraq  
4       and the Commander, Multi-National Forces Iraq will  
5       be made available to testify in open and closed ses-  
6       sions before the relevant committees of the Con-  
7       gress.

8       (c) LIMITATIONS ON AVAILABILITY OF FUNDS.—

9           (1) LIMITATION.—No funds appropriated or  
10       otherwise made available for the “Economic Support  
11       Fund” and available for Iraq may be obligated or  
12       expended unless and until the President of the  
13       United States certifies in the report outlined in sub-  
14       section (b)(2)(A) and makes a further certification  
15       in the report outlined in subsection (b)(2)(D) that  
16       Iraq is making progress on each of the benchmarks  
17       set forth in subsection (b)(1)(A).

18           (2) WAIVER AUTHORITY.—The President may  
19       waive the requirements of this section if he submits  
20       to Congress a written certification setting forth a de-  
21       tailed justification for the waiver, which shall include  
22       a detailed report describing the actions being taken  
23       by the United States to bring the Iraqi government  
24       into compliance with the benchmarks set forth in  
25       subsection (b)(1)(A). The certification shall be sub-

1       mitted in unclassified form, but may include a classi-  
2       fied annex.

3       (d) REDEPLOYMENT OF U.S. FORCES FROM IRAQ.—

4       The President of the United States, in respecting the sov-  
5       ereign rights of the nation of Iraq, shall direct the orderly  
6       redeployment of elements of U.S. forces from Iraq, if the  
7       components of the Iraqi government, acting in strict ac-  
8       cordance with their respective powers given by the Iraqi  
9       Constitution, reach a consensus as recited in a resolution,  
10      directing a redeployment of U.S. forces.

11      (e) INDEPENDENT ASSESSMENTS.—

12           (1) ASSESSMENT BY THE COMPTROLLER GEN-  
13      ERAL.—

14           (A) Not later than September 1, 2007, the  
15      Comptroller General of the United States shall  
16      submit to Congress an independent report set-  
17      ting forth—

18           (i) the status of the achievement of  
19      the benchmarks specified in subsection  
20      (b)(1)(A); and

21           (ii) the Comptroller General's assess-  
22      ment of whether or not each such bench-  
23      mark has been met.

24           (2) ASSESSMENT OF THE CAPABILITIES OF  
25      IRAQI SECURITY FORCES.—

1 (A) IN GENERAL.—There is hereby author-  
2 ized to be appropriated for the Department of  
3 Defense, \$750,000, that the Department, in  
4 turn, will commission an independent, private  
5 sector entity, which operates as a 501(c)(3),  
6 with recognized credentials and expertise in  
7 military affairs, to prepare an independent re-  
8 port assessing the following:

9 (i) The readiness of the Iraqi Security  
10 Forces (ISF) to assume responsibility for  
11 maintaining the territorial integrity of  
12 Iraq, denying international terrorists a  
13 safe haven, and bringing greater security  
14 to Iraq's 18 provinces in the next 12 to 18  
15 months, and bringing an end to sectarian  
16 violence to achieve national reconciliation.

17 (ii) The training, equipping, com-  
18 mand, control and intelligence capabilities,  
19 and logistics capacity of the ISF.

20 (iii) The likelihood that, given the  
21 ISF's record of preparedness to date, fol-  
22 lowing years of training and equipping by  
23 U.S. forces, the continued support of U.S.  
24 troops will contribute to the readiness of

1 the ISF to fulfill the missions outlined in  
2 clause (i).

3 (B) REPORT.—Not later than 120 days  
4 after the enactment of this Act, the designated  
5 private sector entity shall provide an unclassi-  
6 fied report, with a classified annex, containing  
7 its findings, to the House and Senate Commit-  
8 tees on Armed Services, Appropriations, For-  
9 eign Relations/International Relations, and In-  
10 telligence.

## 11 CHAPTER 4

### 12 DEPARTMENT OF ENERGY

#### 13 ATOMIC ENERGY DEFENSE ACTIVITIES

#### 14 NATIONAL NUCLEAR SECURITY ADMINISTRATION

#### 15 DEFENSE NUCLEAR NONPROLIFERATION

16 For an additional amount for “Defense Nuclear Non-  
17 proliferation”, \$63,000,000, to remain available until ex-  
18 pended.

## 19 CHAPTER 5

### 20 DEPARTMENT OF DEFENSE

#### 21 MILITARY CONSTRUCTION, ARMY

22 For an additional amount for “Military Construction,  
23 Army”, \$1,255,890,000, to remain available until Sep-  
24 tember 30, 2008: *Provided*, That notwithstanding any  
25 other provision of law, such funds may be obligated and

1 expended to carry out planning and design and military  
2 construction projects not otherwise authorized by law:  
3 *Provided further*, That of the funds provided under this  
4 heading, not to exceed \$173,700,000 shall be available for  
5 study, planning, design, and architect and engineer serv-  
6 ices: *Provided further*, That of the funds made available  
7 under this heading, \$369,690,000 shall not be obligated  
8 or expended until the Secretary of Defense submits a de-  
9 tailed report explaining how military road construction is  
10 coordinated with NATO and coalition nations: *Provided*  
11 *further*, That of the funds made available under this head-  
12 ing, \$401,700,000 shall not be obligated or expended until  
13 the Secretary of Defense submits a detailed stationing  
14 plan to support Army end-strength growth to the Commit-  
15 tees on Appropriations of the House of Representatives  
16 and the Senate: *Provided further*, That of the funds pro-  
17 vided under this heading, \$274,800,000 shall not be obli-  
18 gated or expended until the Secretary of Defense certifies  
19 that none of the funds are to be used for the purpose of  
20 providing facilities for the permanent basing of United  
21 States military personnel in Iraq.

22 MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

23 For an additional amount for "Military Construction,  
24 Navy and Marine Corps", \$370,990,000, to remain avail-  
25 able until September 30, 2008: *Provided*, That notwith-

1 standing any other provision of law, such funds may be  
2 obligated and expended to carry out planning and design  
3 and military construction projects not otherwise author-  
4 ized by law: *Provided further*, That of the funds provided  
5 under this heading, not to exceed \$49,600,000 shall be  
6 available for study, planning, design, and architect and en-  
7 gineer services: *Provided further*, That of the funds made  
8 available under this heading, \$324,270,000 shall not be  
9 obligated or expended until the Secretary of Defense sub-  
10 mits a detailed stationing plan to support Marine Corps  
11 end-strength growth to the Committees on Appropriations  
12 of the House of Representatives and the Senate.

13           MILITARY CONSTRUCTION, AIR FORCE

14       For an additional amount for "Military Construction,  
15 Air Force", \$43,300,000, to remain available until Sep-  
16 tember 30, 2008: *Provided*, That notwithstanding any  
17 other provision of law, such funds may be obligated and  
18 expended to carry out planning and design and military  
19 construction projects not otherwise authorized by law:  
20 *Provided further*, That of the funds provided under this  
21 heading, not to exceed \$3,000,000 shall be available for  
22 study, planning, design, and architect and engineer serv-  
23 ices.

1 GENERAL PROVISION—THIS CHAPTER

2        SEC. 1501. (a) Funds provided in this Act for the  
3 following accounts shall be made available for programs  
4 under the conditions contained in the language of the joint  
5 explanatory statement of managers accompanying the con-  
6 ference report on H.R. 1591 of the 110th Congress (H.  
7 Rept. 110-107):

8 “Military Construction, Army”.

9 "Military Construction, Navy and Marine  
10 Corps".

11 “Military Construction, Air Force”.

(b) The Secretary of Defense shall submit all reports requested in House Report 110-60 and Senate Report 110-37 to the Committees on Appropriations of both Houses of Congress.

## 16 CHAPTER 6

17 DEPARTMENT OF STATE AND RELATED

## 18 AGENCY

19 DEPARTMENT OF STATE

20 ADMINISTRATION OF FOREIGN AFFAIRS

21 DIPLOMATIC AND CONSULAR PROGRAMS

## 22 (INCLUDING TRANSFER OF FUNDS)

For an additional amount for “Diplomatic and Consular Programs”, \$836,555,000, to remain available until September 30, 2008, of which \$64,655,000 for World Wide Security Upgrades is available until expended: *Pro-*



1 *vided*, That of the funds appropriated under this heading,  
2 not more than \$20,000,000 shall be made available for  
3 public diplomacy programs: *Provided further*, That prior  
4 to the obligation of funds pursuant to the previous proviso,  
5 the Secretary of State shall submit a report to the Com-  
6 mittees on Appropriations describing a comprehensive  
7 public diplomacy strategy, with goals and expected results,  
8 for fiscal years 2007 and 2008: *Provided further*, That 20  
9 percent of the amount available for Iraq operations shall  
10 not be obligated until the Committees on Appropriations  
11 receive and approve a detailed plan for expenditure, pre-  
12 pared by the Secretary of State, and submitted within 60  
13 days after the date of enactment of this Act: *Provided fur-*  
14 *ther*, That of the amount made available under this head-  
15 ing for Iraq, not to exceed \$20,000,000 may be trans-  
16 ferred to, and merged with, funds in the "Emergencies  
17 in the Diplomatic and Consular Service" appropriations  
18 account, to be available only for terrorism rewards.

19 OFFICE OF THE INSPECTOR GENERAL  
20 (INCLUDING TRANSFER OF FUNDS)

21 For an additional amount for "Office of Inspector  
22 General", \$35,000,000, to remain available until Decem-  
23 ber 31, 2008: *Provided*, That such amount shall be trans-  
24 ferred to the Special Inspector General for Iraq Recon-  
25 struction for reconstruction oversight.

## 1 EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

2 For an additional amount for "Educational and Cul-  
3 tural Exchange Programs", \$20,000,000, to remain avail-  
4 able until expended.

## 5 INTERNATIONAL ORGANIZATIONS

## 6 CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING

## 7 ACTIVITIES

8 For an additional amount for "Contributions for  
9 International Peacekeeping Activities", \$283,000,000, to  
10 remain available until September 30, 2008.

## 11 RELATED AGENCY

## 12 BROADCASTING BOARD OF GOVERNORS

## 13 INTERNATIONAL BROADCASTING OPERATIONS

14 For an additional amount for "International Broad-  
15 casting Operations" for activities related to broadcasting  
16 to the Middle East, \$10,000,000, to remain available until  
17 September 30, 2008.

## 18 BILATERAL ECONOMIC ASSISTANCE

## 19 FUNDS APPROPRIATED TO THE PRESIDENT

## 20 UNITED STATES AGENCY FOR INTERNATIONAL

## 21 DEVELOPMENT

## 22 CHILD SURVIVAL AND HEALTH PROGRAMS FUND

## 23 (INCLUDING TRANSFER OF FUNDS)

24 For an additional amount for "Child Survival and  
25 Health Programs Fund", \$161,000,000, to remain avail-  
26 able until September 30, 2008: *Provided*, That notwith-

1 standing any other provision of law, if the President deter-  
2 mines and reports to the Committees on Appropriations  
3 that the human-to-human transmission of the avian influ-  
4 enza virus is efficient and sustained, and is spreading  
5 internationally, funds made available under the heading  
6 “Millennium Challenge Corporation” and “Global HIV/  
7 AIDS Initiative” in prior Acts making appropriations for  
8 foreign operations, export financing, and related programs  
9 may be transferred to, and merged with, funds made avail-  
10 able under this heading to combat avian influenza: *Pro-*  
11 *vided further*, That funds made available pursuant to the  
12 authority of the previous proviso shall be subject to the  
13 regular notification procedures of the Committees on Ap-  
14 propriations.

15 INTERNATIONAL DISASTER AND FAMINE ASSISTANCE

16 For an additional amount for “International Disaster  
17 and Famine Assistance”, \$105,000,000, to remain avail-  
18 able until expended.

19 OPERATING EXPENSES OF THE UNITED STATES AGENCY

20 FOR INTERNATIONAL DEVELOPMENT

21 For an additional amount for “Operating Expenses  
22 of the United States Agency for International Develop-  
23 ment”, \$5,700,000, to remain available until September  
24 30, 2008.

## 1 OTHER BILATERAL ECONOMIC ASSISTANCE

## 2 ECONOMIC SUPPORT FUND

3 For an additional amount for "Economic Support  
4 Fund", \$2,502,000,000, to remain available until Sep-  
5 tember 30, 2008: *Provided*, That of the funds appro-  
6 priated under this heading, \$57,400,000 shall be made  
7 available to nongovernmental organizations in Iraq for  
8 economic and social development programs and activities  
9 in areas of conflict: *Provided further*, That the responsi-  
10 bility for policy decisions and justifications for the use of  
11 funds appropriated by the previous proviso shall be the  
12 responsibility of the United States Chief of Mission in  
13 Iraq: *Provided further*, That none of the funds appro-  
14 priated under this heading in this Act or in prior Acts  
15 making appropriations for foreign operations, export fi-  
16 nancing, and related programs may be made available for  
17 the Political Participation Fund and the National Institu-  
18 tions Fund: *Provided further*, That of the funds made  
19 available under the heading "Economic Support Fund" in  
20 Public Law 109-234 for Iraq to promote democracy, rule  
21 of law and reconciliation, \$2,000,000 should be made  
22 available for the United States Institute of Peace for pro-  
23 grams and activities in Afghanistan to remain available  
24 until September 30, 2008.

1 ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC  
2 STATES

3 For an additional amount for "Assistance for East-  
4 ern Europe and the Baltic States", \$214,000,000, to re-  
5 main available until September 30, 2008, for assistance  
6 for Kosovo.

7 DEPARTMENT OF STATE  
8 DEMOCRACY FUND

9 For an additional amount for "Democracy Fund",  
10 \$255,000,000, to remain available until September 30,  
11 2008: *Provided*, That of the funds appropriated under this  
12 heading, not less than \$190,000,000 shall be made avail-  
13 able for the Human Rights and Democracy Fund of the  
14 Bureau of Democracy, Human Rights, and Labor, De-  
15 partment of State, and not less than \$60,000,000 shall  
16 be made available for the United States Agency for Inter-  
17 national Development, for democracy, human rights and  
18 rule of law programs in Iraq: *Provided further*, That not  
19 later than 60 days after enactment of this Act, the Sec-  
20 retary of State shall submit a report to the Committees  
21 on Appropriations describing a comprehensive, long-term  
22 strategy, with goals and expected results, for strength-  
23 ening and advancing democracy in Iraq.

1 INTERNATIONAL NARCOTICS CONTROL AND LAW  
2 ENFORCEMENT

3 For an additional amount for “International Nar-  
4 cotics Control and Law Enforcement”, \$210,000,000, to  
5 remain available until September 30, 2008.

## 6 MIGRATION AND REFUGEE ASSISTANCE

7 For an additional amount for "Migration and Ref-  
8 ugee Assistance", \$71,500,000, to remain available until  
9 September 30, 2008, of which not less than \$5,000,000  
10 shall be made available to rescue Iraqi scholars.

11 UNITED STATES EMERGENCY REFUGEE AND MIGRATION  
12 ASSISTANCE FUND

13 For an additional amount for “United States Emer-  
14 gency Refugee and Migration Assistance Fund”,  
15 \$30,000,000, to remain available until expended.

16 NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND  
17 RELATED PROGRAMS

18 For an additional amount for “Nonproliferation,  
19 Anti-Terrorism, Demining and Related Programs”,  
20 \$27,500,000, to remain available until September 30,  
21 2008.

22 DEPARTMENT OF THE TREASURY

## 23 INTERNATIONAL AFFAIRS TECHNICAL ASSISTANCE

24 For an additional amount for “International Affairs  
25 Technical Assistance”, \$2,750,000, to remain available  
26 until September 30, 2008.

## 1                   MILITARY ASSISTANCE

## 2                   FUNDS APPROPRIATED TO THE PRESIDENT

## 3                   FOREIGN MILITARY FINANCING PROGRAM

4           For an additional amount for “Foreign Military Fi-  
5 nancing Program”, \$220,000,000, to remain available  
6 until September 30, 2008.

## 7                   PEACEKEEPING OPERATIONS

8           For an additional amount for “Peacekeeping Oper-  
9 ations”, \$190,000,000, to remain available until Sep-  
10 tember 30, 2008: *Provided*, That not later than 30 days  
11 after enactment of this Act and every 30 days thereafter  
12 until September 30, 2008, the Secretary of State shall  
13 submit a report to the Committees on Appropriations de-  
14 tailing the obligation and expenditure of funds made avail-  
15 able under this heading in this Act and in prior Acts mak-  
16 ing appropriations for foreign operations, export financ-  
17 ing, and related programs.

## 18                  GENERAL PROVISION—THIS CHAPTER

## 19                  AUTHORIZATION OF FUNDS

20           SEC. 1601. Funds appropriated by this Act may be  
21 obligated and expended notwithstanding section 10 of  
22 Public Law 91-672 (22 U.S.C. 2412), section 15 of the  
23 State Department Basic Authorities Act of 1956 (22  
24 U.S.C. 2680), section 313 of the Foreign Relations Au-  
25 thorization Act, Fiscal Years 1994 and 1995 (22 U.S.C.

1 6212), and section 504(a)(1) of the National Security Act  
2 of 1947 (50 U.S.C. 414(a)(1)).

3 **TITLE II—HURRICANE KATRINA**  
4 **RECOVERY**

5 DEPARTMENT OF HOMELAND SECURITY

6 FEDERAL EMERGENCY MANAGEMENT AGENCY

7 DISASTER RELIEF

8 For an additional amount for “Disaster Relief”,  
9 \$3,400,000,000, to remain available until expended.



If House amendment 1 has not been agreed to, insert after title II of the provisions inserted by this amendment the following:

1                   **TITLE III—GENERAL**  
2                   **PROVISIONS**

3           SEC. 3001. No part of any appropriation contained  
4 in this Act shall remain available for obligation beyond  
5 the current fiscal year unless expressly so provided herein.

6           SEC. 3002. Amounts in this Act are designated as  
7 emergency requirements and necessary to meet emergency  
8 needs pursuant to subsections (a) and (b) of section 204  
9 of S. Con. Res. 21 (110th Congress), the concurrent reso-  
10 lution on the budget for fiscal year 2008.

If House amendment 1 has not been agreed to, insert before title I of the provisions inserted by this amendment the following:

11   **SECTION 1. SHORT TITLE.**

12           This Act may be cited as the “Supplemental Appropria-  
13 tions Act for Defense, International Affairs, Other Security-Related Needs, and Hurricane Katrina Recovery,  
14 2007”.

16   **SEC. 2. TABLE OF CONTENTS.**

17           The table of contents for this Act is as follows:

          TITLE I—SUPPLEMENTAL APPROPRIATIONS FOR DEFENSE,  
                                  INTERNATIONAL AFFAIRS, AND OTHER SECURITY-  
                                  RELATED NEEDS

TITLE II—HURRICANE KATRINA RECOVERY  
TITLE III—GENERAL PROVISIONS

1 **SEC. 3. STATEMENT OF APPROPRIATIONS.**

2       The following sums in this Act are appropriated, out  
3 of any money in the Treasury not otherwise appropriated,  
4 for the fiscal year ending September 30, 2007.

      If House amendment 1 has been agreed to, conform  
the table of contents in section 2 to reflect the titles in-  
serted by the provisions of this amendment.

      Amend the title so as to read (if not already so  
amended by House amendment 1): “An Act making sup-  
plemental appropriations for the fiscal year ending Sep-  
tember 30, 2007, and for other purposes.”.